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tween \$3.53 to \$2.55 in favor of the foreign steel producers.

The difference between the United States, Western Europe, and Japan in employment cost in the production of steel is about \$25 per ton in the case of Europe and \$40 per ton in the case of Japan. The disparities in hourly employment costs between the steel industries of the United States and the other major producers are so great that steel labor productivity here would have to be two and one-half times that of the Europeans and four and one-half times that of the Japanese to equalize unit labor costs.

Following World War II, while the American steel industry was still in the process of recovering from the drain upon its resources resulting from the war and the reconstruction abroad, there were fully modern steel-making plants being constructed overseas, in great part financed by the United States and built with the output of American mills.

In a special report on steel in Business Week of June 1966, it was pointed out that since 1947 the United States had shifted from a net exporter, with an annual export surplus in steel mill products of 6 million tons, to a net importer.

While the United States had net steel exports of about 4 million tons in 1957, by 1965 this had been replaced by net steel imports of 8 million tons. On balance, the total loss to foreign steel amounted to 12 million tons.

A factor in the loss of steel exports by the United States is the nontariff barrier—the extent to which foreign countries are charging fees in addition to straight duty charges which, in fact, provide effective protective barriers from imports. These nontariff barriers in the past have not received adequate consideration when tariff agreements have been entered into by the United States.

As an example, welded carbon pipe may be imported into the United States from Belgium, France, or West Germany for a duty charge of \$12.50. To export the same product from the United States to Belgium results in charges of \$30.53; to France, charges of \$57.32; and to West Germany, charges of \$30.07.

As another example, carbon plates can be imported into the United States from these three countries for a duty charge of \$8. To export this product results in charges per \$100 of product of \$14.25 to Belgium; \$42.07 to France; and \$21.08 to West Germany.

The American steelworkers, along with all Americans, have, through the taxes they have paid to their Government, helped to subsidize their foreign competition through our foreign aid programs. That competition is thriving, is using in many instances—by our standards—substandard, low-cost labor, and is competing with our American workers who ought to continue to receive wages that are commensurate with what people working in the most prosperous great nation the world has yet known should receive. This consequently constitutes both strong and unfair foreign competition.

Certainly, at the very least the American worker is entitled to some protection from the consequences of our Government's use of his own tax dollars.

There is no indication in the foreseeable future that the import pressures will lessen in the steel industry and other domestic industries affected by the continuing rise in import of many commodities, and also faced with the serious disparity of employment costs. At the same time many foreign countries have quantitative controls protecting their own industries against import of some commodities.

In steel, on a world basis, foreign governments have a 42 percent financial interest in their own steel industries, and in the countries of Western Europe, a 28 percent financial interest. Resulting Government concessions again add to the cost gap between foreign and domestic production cost. In addition, excepting the Soviet bloc, Western Europe and Japan have an excess of 55 million tons in production capacity.

To establish any effective tariff control in the import of steel would require an increase of almost 1,000 percent—obviously not a practical consideration.

With other Members of Congress, I have introduced legislation to establish annual quantitative limitations on U.S. imports of steel products—orderly quota controls which would provide a fair and flexible method by which a reasonable protection could be established for our American steelworkers and their industry.

Our American steelworkers are engaged in the production of products not only vital to our Nation's economy, but essential to our national defense and security.

It is time the Congress gives consideration to import controls which will safeguard their future.

AMERICAN LACK OF COMMITMENT IN THE MIDDLE EAST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. BELL] is recognized for 15 minutes.

Mr. BELL. Mr. Speaker, I have just returned from a week's tour of frontier sections of the Middle East. Now controlled by Israel as a result of the 6-day war.

I made the trip as a result of growing personal concern over the last 60 days that the cease-fire in the Middle East was disintegrating and that early resumption of war was possible.

My visit was reassuring, insofar as the short-term outlook is concerned.

Given, however, the irrationality of the surrounding Arab nations, an irrationality which produced the 6-day war in 1967, no observer has a right to be completely secure in making optimistic predictions.

But despite fairly frequent exchanges of gunfire across the Suez and at the central Jordanian border in and near the west bank, and despite undoubted sponsorship of Arab terrorist activity by the Government of Syria, the peace on this day seems relatively stable.

What is ominous in the Middle East is:

First. The gradually shifting balance of military power to the Arab coalition,

and particularly to those Arab nations which are fanatically insistent upon continued war and elimination of Israel;

Second. The extraordinary support given these Arab nations by Russia with the resulting Russian emergence as a Mediterranean power and as a potentially dominant influence in the Red Sea;

Third. The somewhat naive belief of some officials in the United States and elsewhere that, through negotiations, the basic Arab obsession with the destruction of Israel can be changed, or that the expansion of Russia into the Mediterranean and the Red Sea can be terminated.

This combination of factors could produce in the next 2 to 3 years an explosion in the Middle East far more severe than any we have known in this century.

The Middle East has as much, and perhaps more, strategic significance as Southeast Asia.

Yet we seem to be balancing our massive involvement and interventionist policies in Vietnam with an astringent near neutrality in the Middle East.

If we are overinvolved with support of an ally in Southeast Asia, we most assuredly are underinvolved in support of a substantially more deserving ally in the Middle East.

Russia lost \$1 billion worth of military equipment in the 6 days of the war of 1967.

Within a year that equipment has been replaced.

More importantly, it has been replaced with more modern, more sophisticated weaponry.

It is now estimated that more than 2,000 Russian military advisers are located in Egypt.

Syria, with a more easily managed Government, has become virtually a Soviet arsenal.

There is every indication that equipment lost by the Arabs in 1967 has been replaced, yet Russia continues the arms buildup.

Arab Air Force losses as a result of the 6-day war have, for the most part, been replaced by the Mig-21, a newer and substantially improved model.

And reports have been circulating for some months that commitments have been made for delivery of Mig-23 aircraft, a highly advanced and sophisticated fighter.

Now we hear that the initial shipments of these advanced air strike units, as well as offensive rocket launchers, are on their way to Egypt.

There is no fighter aircraft in Israel today equal to the Mig-23.

The Mirage jet fighters purchased from France for \$60 million are not, as a result of an edict by De Gaulle, allowed outside of France and are, thus, of no value as a deterrent or as instruments for Israel defense.

Israel is asking the United States only to sell her 50 Phantom jets which would counter the Mig-21 deliveries, not the more advanced Mig-23's.

Our procrastination has exceeded all reason.

Even if a much-desired big power decision to halt the Middle East arms race

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were achieved this year, the commitment of 50 Phantom jets would be needed to offset the new Arab weapons.

As a practical matter, however, the prospects for suspension of an arms buildup are as bleak as they possibly could be under present circumstances.

Russia supplies the Arab Governments to secure her new power position in the Mediterranean and the Red Sea.

She also supplies the Arabs to pressure Israel into relinquishment of territory which has been under Israel control since the 6-day war.

Not the least of the reasons for this is the importance to Russia of the Suez Canal which will surely remain closed until there is a peace settlement, or until Israel retreats from the Sinai.

But it must be understood that Sinai, the Golan Heights, and certain portions of occupied Jordan are natural military barricades, profoundly important to the defense of Israel.

The stronger, the more threatening the Arabs become, the more vital these occupied barriers become to Israel military planners.

Withholding of the Phantom jets, particularly while Russia is supplying equivalent aircraft to Cairo, virtually forces Israel to feel she must rely on herself and thus to be uncompromising in the maintenance of her present defenses.

Everyone in the United States would be able to understand this position perfectly if our own borders were similarly threatened.

I fear we do not understand the subtle result of our failure to supply the Phantom jets.

In a sense it causes an aggravation of a continuing concern which I suspect is felt by Israel officials.

It is the concern that is inevitable when all reassurances from the United States are privately spoken, all public statements seem neutral, and our actions seem more in agreement with our public statements than with our private statements.

It is true that we have supplied Israel with military equipment.

Sometimes it has been direct.

Sometimes it has been indirect, such as the Patton tanks and heavy artillery captured by Israel from Jordan in 1967.

But even our military assistance has not conveyed the full element of support that it ought to have conveyed.

When we sell military hardware to West Germany which is subsequently resold to Israel we fool nobody, and least of all the Russians and the leaders of the hostile Arab nations.

But we do create a doubt in the minds of all, particularly the Israelis, about our real position in the event of a showdown.

The combination of Russian commitment and American lack of commitment is producing a vague and thus increasingly dangerous situation in the Middle East with all participants performing in a way different from what might be expected if the true United States position were understood.

I believe it is imperative that we com-

mit the Phantom jets to Israel and commit them now.

And with this commitment I believe we should declare that our association with Israel, and our dedication to her permanence as a nation, is one of the keystones of American foreign policy.

POLISH VESSEL TRADING AT U.S. PORTS DESPITE BLACKLIST

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Michigan [Mr. CHAMBERLAIN] is recognized for 10 minutes.

Mr. CHAMBERLAIN. Mr. Speaker, several days ago I brought to the attention of my colleagues and the American people the fact that a Polish vessel, *Hugo Kollataj*, which has carried supplies to North Vietnam, was calling at five American ports to carry on trade on a business-as-usual basis. I pointed out that while this ship was blacklisted by the U.S. Government to prohibit it from carrying U.S. Government-financed cargoes out of the country there was presently nothing legally wrong with the same vessel coming to our shore to make profits on private trade. I further pointed out that while I have for a number of years sponsored legislation to close our ports completely to such vessels that the Departments of Commerce and State reiterated their opposition to my bill just a few days before the *Hugo Kollataj* entered U.S. waters.

On September 14 I wrote the President urging that the administration re-examine its policy of condoning such trading in our ports and I have now received a reply dated September 30 and signed by W. W. Rostow, Special Assistant to the President. From this response I can only conclude that the administration is not really concerned with taking effective action.

First of all, while Mr. Rostow gives no indication that anything could presently be done about this problem, I am satisfied that there already exists fully sufficient means to the executive branch that would have prevented the *Hugo Kollataj* from unloading its cargo if the administration really wanted to do something about it. I am therefore confirmed in my belief that in view of the attitude of the present administration, legislation is the only answer.

Second, Mr. Rostow apparently would leave the impression that the *Hugo Kollataj* has only been to North Vietnam once when in fact, according to information made available to me by the Department of Defense it has been there more than once.

Third, Mr. Rostow claims that legislation is not needed because—

We have no information indicating that ships calling at North Vietnamese ports will begin calling at United States ports.

If that were the sole consideration there would obviously be no need for a blacklist to prevent such vessels from carrying U.S. Government-financed cargoes from the U.S. ports either. The point is, how can we hope to obtain full cooperation from other free world countries to stop their ships from going to

North Vietnam when we at the same time officially condone the use of our ports to the same vessels and in fact to the vessels of a Communist country.

Fourth, my bill not only would bar U.S. ports to any vessel that has been to North Vietnam but also to all other vessels owned by the same shipping interest. In Communist Poland, of course, there is only one shipping interest; namely, the Government of Poland. I am advised by the Maritime Administration that between January 1 and July 31 of 1968, 11 Polish ships entered American ports a total of 124 times.

Fifth, I am amazed that Mr. Rostow gives no indication that the administration has made any representations to the Polish Government concerning the *Hugo Kollataj*.

In conclusion may I say that it is apparent that this is but another example of the administration's indifference and failure to use all the diplomatic, economic, and legal resources at its command to increase pressure on the enemy's seaborne sources of supply.

Another example is provided by the sharp increase in free-world-flag ship traffic to North Vietnam during 1968 which is about double the 1967 rate. I have been advised by the Department of Defense that during September, 14 more free world ships arrived in North Vietnam; 11 were flying the British flag, one Cypriot, one Singapore, one Kuwaiti. This brings the total for the year to 112 under nine different flags as compared to 57 arrivals during the same period in 1967.

At this point in the RECORD I include copies of my letter to the President, Mr. Rostow's reply and a chart indicating the number of free world ship arrivals in North Vietnam so far this year.

SEPTEMBER 14, 1968.

HON. LYNDON B. JOHNSON,
President of the United States,
The White House,
Washington, D.C.

MY DEAR MR. PRESIDENT: A vessel, *Hugo Kollataj*, currently "blacklisted" by the Maritime Administration for trading with North Vietnam is presently calling at American ports.

This ship was first listed by the Maritime Administration in its report No. 9 issued January 13, 1967, and classified Department of Defense information contains confirming reports as to the dates of its arrivals in North Vietnam. The *Hugo Kollataj*, owned by the Polish government, entered Boston Harbor on September 1, 1968, New York Harbor on September 8, 1968, and is scheduled to make other stops at Philadelphia, Baltimore and Norfolk. This past Wednesday morning I personally watched the unloading of tons of Polish steel from its hold onto the docks of Pier 8 in Brooklyn.

While this ship is only legally barred from carrying U.S. Government-financed cargoes out of the United States I would respectfully urge that the Government re-examine its policy and extend this prohibition to cover private trade in U.S. ports as well, as recommended in my bill, H.R. 365. Though it may be true that this commerce, in terms of tonnage and perhaps dollar value, does not amount to much, I feel very strongly that there is a deep moral question involved which compels me to ask why a vessel which has been helping to supply the enemy should be permitted to make profits in American ports