

JOINT RESOLUTIONS

Legislative Reference to the Honorable James C. Wright, Speaker of the United States House of Representatives, United States House of Representatives, Washington, D.C. 20515; the Maryland Congressional Delegation: Senators Paul S. Sarbanes and Barbara A. Mikulski, Senate Office Building, Washington, D.C. 20510; and Representatives Royden P. Dyson, Helen Delich Bentley, Benjamin L. Cardin, C. Thomas McMillen, Steny H. Hoyer, Beverly B. Byron, Kweisi Mfume, and Constance A. Morella, House Office Building, Washington, D.C. 20515; the Honorable Thomas V. Mike Miller, Jr., President of the Senate of Maryland; the Honorable R. Clayton Mitchell, Jr., Speaker of the House of Delegates; and Harold P. Gross, President, United Seniors of Maryland, 12401 Shelter Lane, Bowie, MD 20715.

Signed May 19, 1989.

No. 21

(Senate Joint Resolution No. 31)

A Senate Joint Resolution concerning

Extension of the Steel Voluntary Restraint Arrangements

FOR the purpose of stating the intent of the General Assembly of Maryland in support of extension of America's steel Voluntary Restraint Arrangements program for 5 years.

WHEREAS, Extension of the steel Voluntary Restraint Arrangements (VRAs) will provide America's steel industry with a necessary, yet measured, defense against conditions abroad that have not changed much since the VRA program was first instituted in 1984 (e.g. foreign producers still receive massive subsidies from their governments, foreign steel markets are still tightly restricted to imports, foreign producers still engage in pervasive "dumping" of steel, and there is still a serious structural imbalance between world steel supply and demand on the order of at least 100 million tons); and

WHEREAS, A five-year extension will give the United States government the time it needs to negotiate an end to these ongoing trade-distorting conditions abroad, and the United States cannot "unilaterally disarm" in steel (by terminating the VRAs) until such negotiations have been successfully concluded; and

WHEREAS, VRAs have enabled domestic steel producers to take significant steps to improve their international competitiveness — costs are down 35 percent since 1982, labor productivity is up 40 percent and quality has been greatly improved; and

WHEREAS, Despite these competitive gains, additional time is needed because:

- (1) The domestic steel industry still lags other major steel-producing countries in such key areas as product yield, energy efficiency, and continuous casting rate;
 - (2) Continued restructuring and modernization will be extremely expensive;
- and
- (3) The industry's underlying economic condition still is fragile because of the enormous losses (\$12 billion) sustained in 1982—86; and

WHEREAS, Unlike most of its major foreign competition, which is subsidized, the