

FOR IMMEDIATE RELEASE JANUARY 28, 1999

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**RESPONSE TO TODAY'S
DEPARTMENT OF COMMERCE ANNOUNCEMENT
ON SHARP DROP OF STEEL IMPORTS FROM JAPAN**

January 28, 1999

At Issue: Today, the U.S. Department of Commerce released preliminary December 1998 figures on steel import levels showing a sharp (47 percent) decline in imports from Japan. This follows a 6 percent decline in November. Through November, however, there was a 200 percent increase in imports, which is said to be caused by artificially low pricing in U.S. markets and is damaging the U.S. steel industry.

Dr. Mark Tilton, Chair of the Asian Studies Program, Purdue University and author of *Restrained Trade: Cartels in Japan's Basic Materials Industries*, an expert on Japanese trade and economy, and co-editor of *Is Japan Really Changing Its Ways? Regulatory Reform and the Japanese Economy* (The Brookings Institution Press 1998), said on today's announcement that:

The dramatic decline of Japanese steel imports demonstrates the power of Japan's steel cartel to manipulate trade flows for political purposes. This Japanese government-tolerated cartel of large integrated steel makers has created a 'sanctuary market' in its country that restricts competitive access and distorts the international steel trade.

In October 1998, Dr. Tilton presented a white paper, *Japan's Steel Cartels and the 1998 Steel Export Surge*, to members of U.S. Trade Representatives Office, the National Economic Council, members of congress, and other officials in Washington. His research is supported by The Japan-U.S. Friendship Commission, an federal agency supporting the study of contemporary Japan.. Dr. Tilton is a member of the Board of Directors of the Japan Information Access Project, an American nonprofit which works closely with the Friendship Commission.

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His white paper on Japan's steel cartel's can be accessed through the Japan Information Access Project website: <http://www.jiaponline.org/>

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