MISSION IMPOSSIBLE AND THE AMERICAN STEEL INDUSTRY

I was recently on a flight to Atlanta for business and I found myself watching one of those Mission Impossible movies—you know the ones with Tom Cruise. I do not want to date myself, but I fondly remember the original Mission Impossible, the television version with Peter Graves. Anyway, I’ve never been a fan of the series, as I’m more of a James Bond kind of guy.

Tom Cruise and his team are on their heroic mission to save the world. They undertake one action sequence after another using their daring wits, flirting with constant danger, utilizing elements of disguise and technology to ultimately complete the mission. It does get pretty confusing along the way. It has even been referred to as “Mission Incomprehensible” by some. However, I suppose if you’re looking for an escape, this one works as well as any.

“So where’s the American steel analogy?” you wonder. I was thinking that if Tom Cruise could save the world, perhaps he could save the American steel industry. I mean, wouldn’t that be great? Unfortunately, many believe that mission really is impossible. The American steel industry has too much reality working against it for it to overcome the odds of coming back.

Indeed, steel distribution is certainly here to stay, as there are many manufacturers still utilizing steel in their products and construction is not going anywhere. But let’s face it: The world has surpassed America in terms of making inexpensive steel—plain and simple. There was a time not too long ago where it was said that what was good for steel was good for America. Then, I think it was IBM, and now it’s Google or Facebook. Do you know how many steel mills have been built here in America over the past 10 years? There have been zero. The only ones that have been built are mini-mills, which create new steel out of scrap.

Meanwhile, China doubled their steel capacity since 2000 and will double it again within the next year or two. Currently, China produces over half the steel used on the planet—much of which they use for themselves. We need Tom Cruise to take on that mission.

Seriously, though, this really is cause for concern. An America that cannot provide its own steel for our defense, for our infrastructure and for critical industries such as automobile and construction will never progress in the 21st century. It is hard enough watching our manufacturing base being chipped away, but we must realize the importance of a healthy domestic market that is fundamental to our standing in the world. I know I’m starting to echo Donald Trump, but it’s true, and what are we going to do about it? As a west coast distributor of metals, we see steel coming from virtually every corner across the globe. The quality gap between foreign-made steel and ours used to be great but this is no longer true. We now have customers requesting imported steel and that is alarming for a number of reasons.

Politicians tell us that this trend cannot nor will not continue; that American Steel will return to its glory once again. Through technology and innovation, America will rise as we always have. I would certainly wish for this to be the case, but I wonder what it will take for it to happen. Mission Impossible? I hope not. This newsletter, however, will self-destruct in 30 seconds!
Our Thanksgiving Message

By Jim Stavis

The worldwide construction industry expects to top $8.5 trillion this year—three times what we did 10 years ago. That’s a tr...