

SUMMARY

The domestic producers of ferroalloys and related products, represented by our committee, are deeply concerned over the adverse effects of imports upon this industry, which is an essential part of our country's mobilization base.

We are small compared to the steel industry, but without us there would be no steel industry.

Imports of the basic ferroalloy products over the past few years have skyrocketed, and have reached levels ranging from 15 to 42 percent of the available U.S. market in 1967.

To stay competitive with these low-cost imports, domestic ferroalloy prices have been forced down to uneconomic levels in most cases. As a result, domestic profits are at inadequate levels, and declining. Producers are also finding it more and more difficult to justify the capital investments necessary for research and growth.

This process of attrition is undermining the viability of the ferroalloys industry, particularly for the future, and is contrary to our national security interests. It can be stopped only by affirmative governmental action in the form of reasonable import quotas on ferroalloy products, to permit both importers and domestic producers to share equitably on an expanding U.S. market.

Legislation to accomplish this was introduced as H.R. 13996 by Congressman Wayne L. Hays, of Ohio, on November 14, 1967, and H.R. 15417 was introduced by Congressman William R. Anderson, of Tennessee, on February 20, 1968.

A companion bill S. 2563, was introduced by Senator Howard Baker, of Tennessee, on October 20, 1967. We are here today to urge your prompt and favorable consideration of this legislation.

NATURE OF FERROALLOY INDUSTRY

The ferroalloys and related products produced by members of our committee include low-, medium-, and high-carbon ferromanganese, silicomanganese, manganese metal, low-, and high-carbon ferrochrome, ferrochrome silicon, chromium metal, ferrosilicon, and silicon metal.

Manganese is indispensable, particularly in times of national emergency, in the production of steel, aluminum, certain chemicals, and other vital products. Each ton of steel produced requires an average of almost 14 pounds of manganese.

Similarly, chromium is essential in both peacetime and wartime as an alloying element for a long list of important ferrous and non-ferrous alloys. Stainless steels, for example, contain between 18 percent and 25 percent chromium.

The metallic element silicon is used to deoxidize molten steel, and to develop desirable physical and electrical properties when employed as an alloying element. Silicon is a necessary alloying agent in all aluminum castings ranging between nine to 15 percent of the total weight of the castings. Silicon metal is also the base raw material for the production of silicones utilized in a variety of special purpose products.