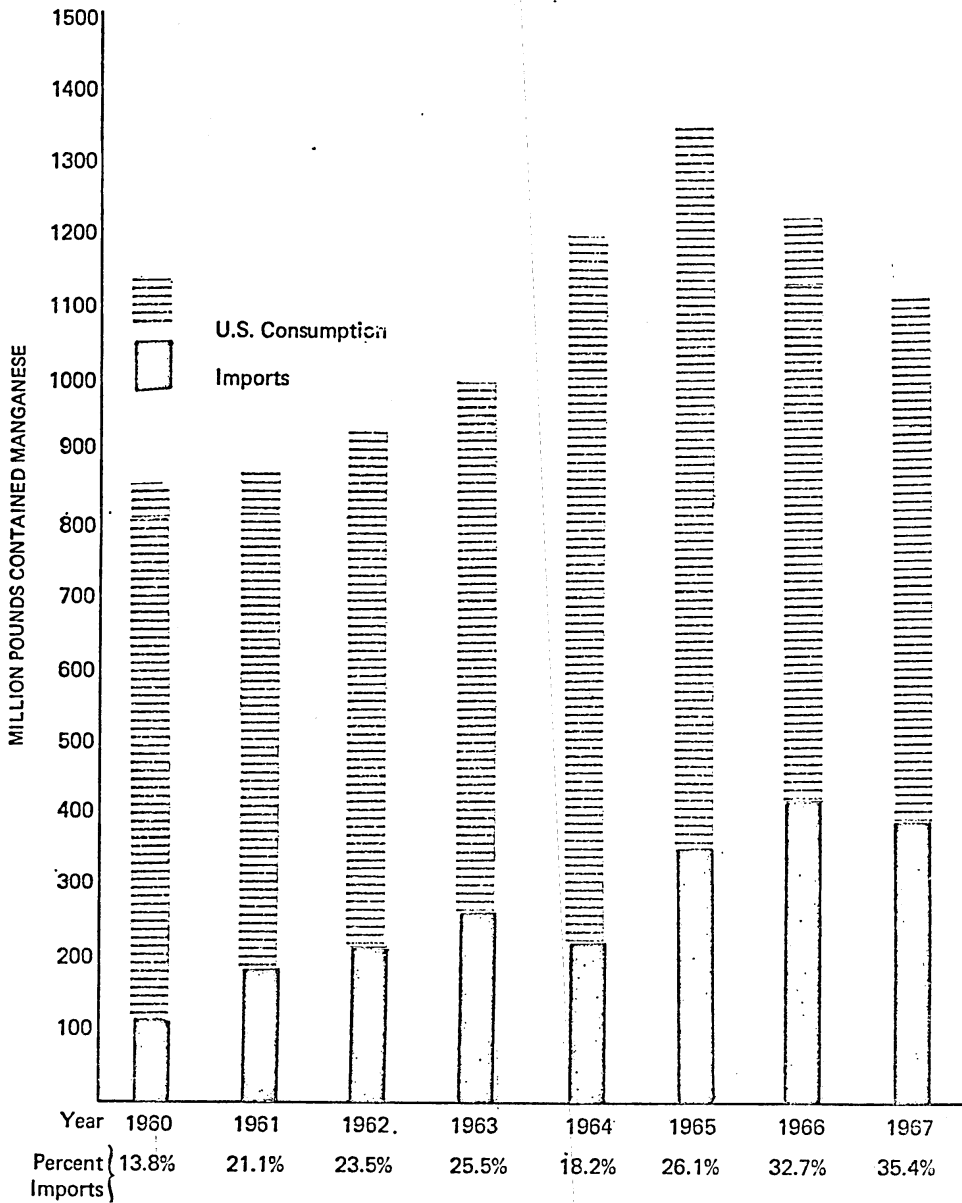


MANGANESE FERROALLOYS
U.S. Consumption, Imports for Consumption,
and Percent Imports to U.S. Consumption



DEPRESSED DOMESTIC PRICE LEVELS

Overseas producers have a significant cost advantage over domestic ferroalloy makers in several areas, especially for labor and in being able to hold down unit costs by capacity or near-capacity operations.¹ Moreover, the declared value of ferroalloy imports has declined steadily for most items from 1960 through 1967. As a result, domestic prices have been forced down to seriously depressed levels—dropping by an average of about 30% from 1960 through 1967. (See Exhibit B.)

This decrease in average domestic prices for ferroalloy products has occurred over a period when the domestic production of steel—our major customer—has grown by about 30%. Unfortunately, however, as noted above, most of this expanded market has been taken over by imports.

¹ Also, for chromium ferroalloys, foreign producers have a special cost advantage in being able to buy their chrome ore from Rhodesia. U.S. producers must rely upon the more expensive Russian ore in view of the recent U.S. Government action forbidding such purchases from Rhodesia.