

Mr. FULTON. Mr. Cunningham, one last question. Your statement also mentions the decline in profits in your industry. Is this true in all segments of your industry?

Mr. CUNNINGHAM. Yes. We represent the major ferroalloy producers and this is based on a survey that we have taken going back over a period of years. My company, Ohio Ferro-Alloys, is involved in silicon manganese and chromium—and this is all we produce—it affects us in all categories of our operations.

Mr. FULTON. Do you consider it a short-term trend, or do you think it is something that will continue?

Mr. CUNNINGHAM. No; it started in the late 1950's and has continued, and it is continuing at a more rapid rate now in the last 2 years than before.

Mr. FULTON. Thank you, Mr. Cunningham. Mr. Curtis.

Mr. CURTIS. Has your industry taken a position on the administration bill?

Mr. CUNNINGHAM. We have read it but our position would be that it wouldn't be of any help to us because we cannot export and—

Mr. CURTIS. I appreciate that but I am referring to the machinery more than anything else. Have you taken a position on extending the present machinery we have for handling international trade? That is one of the aspects of the administration bill.

Mr. CUNNINGHAM. In our industry it is a one-way street. The imports are coming in and we can do nothing about them.

Mr. CURTIS. Well, you just haven't taken a position on the bill. I guess that is what the facts are.

Mr. CUNNINGHAM. That is right, as a group, no.

Mr. CURTIS. What about the Kennedy round? In answer to questions here you indicated that it had possibly adversely affected you. Have you taken a position in respect to how the Kennedy round has affected you?

Mr. CUNNINGHAM. It has adversely affected us.

Mr. CURTIS. To what degree?

Mr. CUNNINGHAM. Because it reduced what tariffs we have.

Mr. CURTIS. To what degree? Seriously?

Mr. CUNNINGHAM. In one case we had a 4-cent tariff on silicon metal that sells for around 16 cents and that has already been reduced now by 20 percent to 3.6 cents. In a matter of 5 years there will be no tariff on silicon metal.

Mr. CURTIS. Has your industry taken an overall reading of the impact of the Kennedy round? You mention one item but I am interested in the whole package.

Mr. CUNNINGHAM. Some of the other items had so small a tariff on them that it didn't have much effect.

Mr. CURTIS. I appreciate that and as each industry comes before us I am anxious to find out what impact they think the Kennedy round will have on it. One of the first questions to be answered is whether or not the industry has made a study of the overall picture. If you would supply a memorandum for the record rather than trying to answer it at this time. I would appreciate it.

Mr. CUNNINGHAM. I shall do that. (See p. 2191.)

Mr. CURTIS. Do you think that the machinery we have for establishing a national security finding is satisfactory, or do you think that we ought to possibly change that machinery? You say that you were