

to deteriorate seriously once more, and the current application was filed with the OEP in May of this year.

In filing this OEP application, our Committee assumed the adequacy of the mechanism established by the Congress, and the language of Section 232 itself, to provide relief from imports in cases where the national security is threatened—even though the industry was and is fully aware that, in the past, the Executive Branch has felt free on many occasions to depart from the apparent Congressional intent by reason of the administrative discretion written into that section. If the OEP should deny the current application, the domestic producers would undoubtedly feel that this would represent a misapplication or misinterpretation of the authority delegated to the President and the OEP under that Section.

Indeed, as suggested in Mr. Curtis's questions to Mr. Cunningham, the Section 232 language and machinery alone are no assurance that the Section will be properly administered. It was for this reason that, because of the seriousness of the plight in which the industry finds itself and the forecasts of continuing increases in imports, the industry felt it necessary to recommend specific import quota legislation to the Congress, in the form of H.R. 13996 (Mr. Hays, of Ohio), and H.R. 15417 (Mr. Anderson, of Tennessee). A companion bill S. 2653 has been introduced in the Senate by Senator Baker.

Perhaps, as suggested by Mr. Cunningham in his testimony before your Committee, the best way to make the present language work as the Congress intended would be for members of your Committee and others in the Congress who might support our OEP application (as against the alternative of import quotas via the legislative route), to make their views known to the OEP. On the other hand, if the OEP should turn down this application—which we believe presents an unusually strong factual case in respect to an industry which OEP itself has found to be defense-essential—then the industry might well urge that the Congress should strengthen the law by, perhaps, reducing the measure of executive discretion.

(3) Thirdly, Mr. Curtis asked whether there are any unfair trade practices which help foreign producers in the American market to the disadvantage of domestic producers, and whether the machinery to combat such practices is adequate.

On several occasions in recent years, when the prices of imports of certain ferroalloys appeared to be lower than those in the foreign producing countries, several of the domestic producers filed anti-dumping complaints with the Customs Bureau. After investigation, these cases were dismissed on the grounds that sales at less than fair value could not be established, or imports suspended from the countries against which the complaints were filed. It is our Committee's feeling, again, that the machinery provided by the Congress in the anti-dumping statute is probably adequate, but that it was misinterpreted or misapplied in this instance by the Executive Branch.

Another unfair trade practice is the subsidizing of exports, in which case domestic industry may obtain relief from injury by the imposition of countervailing duties. For example, Mr. Cunningham testified to the recent action by the Indian Government in granting cash subsidies equivalent to about 20 percent ad valorem for producers exporting standard high-carbon ferromanganese. During 1967, India exported 19,023 tons of this product to the United States, which was approximately 10 percent of the total imports of this product from all countries during that year. This information will be presented to the Treasury Department, asking for an investigation under the countervailing duty statute, and it is our hope that the machinery provided therein by Congress will be properly and adequately administered by the Executive Department in this case.

Finally, at the time the domestic producers were preparing their application for filing with the OEP in 1963, they considered other alternatives that might be available to them, particularly the escape clause. After considerable investigation, including informal discussions with Government officials, the industry decided that this statutory provision, as written, was not adequate to meet their problem. Thus, the escape clause is one area in which strengthening amendments are needed in order to provide relief for domestic industries, such as the ferroalloy industry, which are seriously and adversely affected by increasing imports.

We would be pleased to try to furnish any further information, or to answer any further questions that you or other members of the Committee may have, relating to the problems of this industry in relation to imports.

Sincerely,

LLOYD SYMINGTON.