

The CHAIRMAN. Yes, it will be included in the record.
(Mr. Gannaway's prepared statement and statement of David T. Searls, counsel, follow:)

STATEMENT OF CHARLES B. GANNAWAY, JR., CHAIRMAN OF THE AD HOC COMMITTEE
OF GALVANIZED ELECTRICAL TRANSMISSION TOWER FABRICATORS

INTRODUCTORY COMMENTS

My name is Charles B. Gannaway, Jr. I am currently a member of the Board of Directors and consultant to Flint Steel Corporation, which is headquartered in Tulsa, Oklahoma. Prior to retiring on January 1, 1968, I was Executive Vice President and chief operating officer of Flint Steel and in the fabricating tower business for over 40 years. Also, I am Chairman of the Ad Hoc Committee of Galvanized Electrical Transmission Tower Fabricators (representing 95% of the available production), which filed the complaint with the Treasury Department that Italy was subsidizing exports of steel transmission tower components. The Ad Hoc Committee consists of the following fabricators with a total of eighteen plants:

Anchor Metals, Hurst, Texas; Bethlehem Steel Corp., Bethlehem, Pa.; Blaw-Knox Company, Pittsburgh, Pa.; Creamer and Dunlap, Tulsa, Oklahoma; Flint Steel Corp., Tulsa, Oklahoma; Lehigh Structural Steel Co., Allentown, Pa.; Muskogee Iron Works, Muskogee, Oklahoma; Nashville Bridge Co., Nashville, Tennessee; and United States Steel Corp., Pittsburgh, Pa.

With me today is Mr. David T. Searls, a senior partner in the law firm of Vinson, Elkins, Weems and Searls in Houston, Texas. Mr. Searls is counsel for our Ad Hoc Committee.

I would like to provide some information as to what a small company faces in dealing with foreign imports.

Flint Steel has two plants located in Oklahoma and Tennessee and employs 225 workers in the production of electrical transmission towers.

Although imports of galvanized fabricated structural steel units for the erection of electrical transmission towers, especially those produced in Italy, have been coming into the United States at an increasing rate since 1956, the influx of these imports became quite alarming to our company and its workers in 1965 because they commanded over 25% of the market in the United States and were selling at prices significantly below what we could meet.

What should a company like ours do in that situation? First, we evaluated our competition, both domestic and foreign. Our evaluation showed that foreign competition had taken a large share of the increasing demand that should have been produced by domestic producers and their employees. In addition to being a problem for us, imports of electrical transmission towers were, and still are, an industry problem also. What alternatives were available to Flint Steel to combat this competition? Wholly aside from the fact that any effort to solve the problem by purchase of lower cost foreign steel mill products would have further aggravated an already critical problem for the steel industry, it would not have tended to solve the problem of the tower industry because here the real problem is the granting of rebates to encourage exports. Since the Italian Government was granting rebates to encourage exports and these rebates are established within the Italian Government's tax system, any cost saving that Flint Steel might realize by purchasing foreign steel could readily be offset by the Italian Government merely by granting higher rebates under their tax system to make their producers more competitive in the export market. We wanted to go with reliable availability of domestic suppliers of steel mill products.

Consequently, Mr. Chairman, we immediately recognized that only the government could assume the responsibility of providing an international trade climate in which our business enterprise could compete fairly. Since our problem with foreign competition was generated by subsidies from the Italian Government, we enlisted the help of other domestic producers to seek government assistance under our countervailing duty laws.

With this as background, I will describe our experience in pursuing countervailing duties against imports of Italian electrical transmission towers.