

be much higher than the former price paid for imported wire—even from the U.S. Some of the Latin American countries engage in these practices.

We have yet another problem when we try to export wire. For some reason, the ocean freight rates on steel wire leaving the U.S. are higher than those on the same product coming into the U.S. For example, to ship one ton of tire bead wire from New York to London the rate is \$39.00 per ton; from London to New York it is \$29.75 per ton; from San Francisco to Tokyo the rate is \$35.00 per ton; from Tokyo to San Francisco it is \$25.75 per ton; from Philadelphia to Antwerp the rate is \$31.50 per ton; and from Antwerp to Philadelphia it is \$26.50 per ton.

It is difficult to believe that these rate differences can be related to actual cost differences. Yet they do exist and are just one more “unfair trade practice” that we must face.

Among yet other unfair advantages enjoyed by our overseas competitors is their lack of restriction under such American laws as the Fair Labor Standards Act, and various antitrust and anti-monopoly laws. Not only are they not bound by these, but those of our laws which do affect them, such as our anti-dumping regulations are inadequate and the intent of these laws is consistently violated by selling in America at prices lower than their own country. Since American industry is unable to satisfy the “damage” requirements of our law, dumping is not an unknown practice when it suits the foreign producers purpose.

Before closing, I should like to present some illustrative data on one particular fine and specialty wire item. Inasmuch as these figures will come from my own company’s records—both here and abroad—I will not identify the item other than to say it is a fine wire item used in considerable volume and one for which estimated imports account for more than 15% of the total usage. The imported price on this wire is \$20.00 per ton under our price—a position it has maintained through several price reductions which we have initiated in an effort to win back our customers. Our price reductions were made as we could improve our costs to make a lower price possible, but our foreign competitor, with generous assistance from his government, has always matched our efforts—keeping the differential the same. It so happens that we also produce and sell this wire through a foreign subsidiary in one of the countries exporting to the U.S. We thus know the local selling price in that country and could prove that a foreign producer (not our subsidiary) is dumping. However, we have not taken any anti-dumping action because of the “injury” portion of current anti-dumping laws. We cannot prove injury since our company is successful. (We are making every effort to keep it that way so we can protect the jobs of our workers and the investments of our stockholders.) We would hope that it is not the intent of the Congress that a company or an industry must be unsuccessful before the unfair practice of dumping is to be considered illegal and stopped. Yet that is how the present law is working under current interpretations. We in the Fine and Specialty Wire Manufacturers’ Association can only foresee that a continuation of past American foreign trade policies will further widen the gap between imports and exports in future years and will result in an ever weaker industry—an industry without which our nation cannot exist in the modern world.

We strongly urge that your Committee ignore the *unproven* threats of “massive retaliation” by other nations and take the leadership in providing the American worker and American industry with the opportunity for *fair trade* in the American market place. This can be accomplished by some means such as that suggested in a letter dated March 20, 1968 addressed to your committee by Mr. E. U. Lang, Chief Engineer of National-Standard Company. We understand that Mr. Lang is submitting a written statement to this hearing further detailing his “graduated tariff” idea. This may require more study and we therefore respectfully suggest the enactment of interim quotas or surcharges to existing tariffs. Legislation has already been introduced covering quotas on all steel products and these would include those made by members of this Association. Such a step can go a long way toward making possible the job opportunities so badly needed in many areas of this nation.

The CHAIRMAN. We now come to the category of lead and zinc. We have about 50 minutes of testimony.

Our first witness is Mr. Johnson.

Mr. Johnson, if you will identify yourself for our record, we will be glad to recognize you.