

The industry has told GSA and the executive branch that under proper circumstances, they certainly would be willing to cooperate in so doing, but you can easily see, sir, that if the industry gets into a situation in which it obligates itself, let us say, to help liquidate the stockpile over an extended period of time, it certainly would have to have some form of protection to enable it to do this.

So that it is a dual problem. It is a problem of the Government, and it is a problem of industry.

Mr. CURTIS. Just briefly. I have one other question.

Does the industry run into a problem of unfair competition in the sense that foreign governments subsidize their mining in this area for export?

Mr. JOHNSON. There are some such things, but I don't think that we take the view, Mr. Curtis, that this is a serious thing.

Mr. CURTIS. Is it essentially wage differential?

Mr. JOHNSON. Essentially, it is a fact that perhaps outside the United States we may find slightly better ore deposits.

The main thing, though, is the cost of producing it.

Mr. CURTIS. Which is mainly wages, is it?

Mr. JOHNSON. Mainly wages.

You can see many mines here, as I pointed out, where the wages run as high as 60 percent of cost. It depends on the method of mining that one uses, but this is a very important factor, and when you have that much going into direct wages, you have got a problem. That is where the big difference is.

Mr. CURTIS. I certainly appreciate your testimony very much.

Mr. JOHNSON. Thank you, sir.

Mr. SCHNEEBELI. Mr. Chairman.

The CHAIRMAN. Mr. Schneebeli.

Mr. SCHNEEBELI. Mr. Johnson, you said the Government established a quota effective October 1958. Under what authority was that done?

Mr. JOHNSON. This was an executive proclamation.

Mr. SCHNEEBELI. Under what authority? Do you know?

Mr. JOHNSON. I have the number here, somewhere. 1958.

Mr. SCHNEEBELI. Basically, my question is, if the U.S. Government can establish a quota for lead and zinc like this, why can't they do the same for steel and a lot of other commodities, and is this not in contravention of the GATT?

Mr. JOHNSON. I would think it was at the time.

I am trying to find this executive order number. It was 10,000—something.

Does anybody back here know the number?

Mr. SCHNEEBELI. If you could furnish that information, we don't want to hold you up.

I am wondering how, suddenly, they can establish a quota without specific congressional action.

Mr. JOHNSON. I will send you a copy of the executive order.

(The following material was received by the committee:)

FACTORS PRECEDING PRESIDENTIAL PROCLAMATION No. 3257—SEPTEMBER 22, 1958

Following World War II, metal prices were at or above present levels, but in early 1950 dropped to uneconomic levels. At that time, the lead industry filed an escape clause action with the Tariff Commission requesting that the 1939