time U.S. manufacturers of zinc in sheets had been reduced to two in number and then imports oddly enough tended to ease slightly in volume until 1967 when suddenly imports were reduced by more than half from 1966. This is a very interesting situation. Total imports for 1966 of zinc-in-sheets were 2,236,852 pounds of which 1,995,027 pounds were of Communist Yugoslavian origin, with Belgium, the Netherlands, West Germany, and the United Kingdom accounting for the remainder totaling 241,825 pounds. For 1967, however, imports of zinc-in-sheets from Yugoslavia were reduced by more than two-thirds or from 1,995,027 pounds to only 635,009 pounds. Meanwhile, the imports from the other four countries; namely, Belgium, the Netherlands, West Germany, and the United Kingdom, all increased significantly; and in addition, Italy entered the picture shipping a significant quantity of zinc-in-sheets to the United States. The increased shipments from the four countries and the entering of the market by Italy in 1967 clearly indicate the continued attractiveness of the U.S. market to foreign suppliers, but apparently the Communist Government of Yugoslavia decided there were other items even more attractive; and, therefore, shipped to the United States less than one-third of the zinc-in-sheets in 1967 as it shipped in 1966.

For the long pull, however, it is now apparent that Communist Yugoslavia has an interest in taking over the rolled zinc market in the United States. Recently, other officials of my own company were contacted through the U.S. State Department in behalf of Yugoslavian interests. They requested permission to visit our zinc rolling mill manufacturing facilities in LaSalle, Ill. We granted them this permission on a reciprocal basis, and we already have been visited by Yugoslavian officials. They have stated that Yugoslavia not only is interested in increasing its sales of rolled zinc in the United States from its current manufacturing facilities, but is interested in constructing a new strip mill and in shipping zinc strip and zinc wire to the United States.

The unfairness of the United States extending most-favored-nation treatment to Communist countries is apparent because we have on one hand U.S. manufacturers who must base their prices on their costs and then compete with goods from a foreign country not necessarily priced on an economic basis but at a price which the particular Communist Government concerned decides is the price at which it will sell to best effect its overall balance-of-trade situation.

In conclusion, our recommendations are as follows:

First that the United States should wise up to the fact that its policy of some years of widespread duty cutting has been unsound in the interest of the United States and that further duty cutting authority should not be granted.

Secondly, the U.S. antidumping policy should be changed so as to be patterned after the Canadian policy which places upon the foreign shipper the burden of proof that a given shipment does not constitute dumping.

Thirdly, there should not be encouragement to expand East-West trade but to the contrary most-favored-nation treatment should be withdrawn from Communist Yugoslavia and Poland and extension of most-favored-nation treatment to any Communist country should be prohibited.