

Definitive action against dumping is imperative.—The ineffective enforcement of the Antidumping Act of 1921 must be remedied by appropriate amendment. In the meantime, immediate action should be taken on H. Con. Res. 447 (S. Con. Res. 38) to prevent the International Antidumping Code, which is in conflict with the Antidumping Act of 1921 and which was agreed to on behalf of the United States without the authority of the Congress, from going into effect on July 1, 1968 without congressional approval.

Recommendations.—In view of its experience with the United States Foreign Trade Policy, the industry offers seven recommendations with the objective of effecting changes in that policy which the industry believes are necessary.

PURPOSE OF STATEMENT

This statement is being made to the Committee on Ways and Means on behalf of the domestic brass mill industry, in response to the announcement on May 19 by its Chairman, that public hearings would be held beginning on June 4, 1968 on the general subject of the balance of trade between the United States and foreign nations. Our statement will address itself to a number of the subjects which the hearings are to encompass, but not necessarily in the order or detail as described in the announcement.

The industry is gratified with the proposal of the Committee on Ways and Means to make such an exhaustive study of the foreign trade policy of the United States. We have for a long time firmly believed and recommended that there be a complete and objective review of this policy by the Congress, to establish what the actual benefits, and also the inequities, of this policy have been and to what extent the results, past and projected, warrant its continuance or modification. Your hearings should provide the opportunity for such a realistic appraisal.

THE DOMESTIC BRASS MILL INDUSTRY

The brass mill industry uses copper in its unwrought form together with quantities of zinc, tin, nickel and other metals, to roll, draw, extrude and otherwise form such basic products as plates, sheets, rod, wire, tube and pipe of copper and its various alloys. It is distinct in its operations and markets from the copper mining and refining segments of the copper industry as a whole, as well as from the electrical wire and cable, foundry and other particular components of the overall industry. Its problems involving foreign trade are apt to be basically different from those of these other segments.

The products of the brass mills are quite essential in the national economy, constituting the raw materials in such vital industries as building, automotive, air conditioning, and electrical and mechanical parts, as well as being indispensable in the national defense. From three percent to thirty percent of its productive capacity for various of its products have been set aside for defense orders. In 1967 about fifteen percent of its shipments, or 370 million pounds, were for military purposes. During World War II, essentially all of its production was preempted for military and related purposes. To serve effectively in this case it had to increase its production 200 percent over the prewar volume. Again, during the Korean episode, up to a quarter of its output was required for military purposes and production had to be increased fifty percent.

The present production capacity of the domestic brass mills is quite ample for both commercial and defense requirements. The Department of Commerce reports that the total shipments of the industry in 1967 were estimated at 2.60 billion pounds, with a value estimated at \$2.2 billion, reduced because of the slowdown in the economy and the copper strike that year from 3.33 billion pounds valued at \$2.6 billion in 1966.

The mills employ about 40,000 in plants located in 20 states. Through substantial investments in new plants and equipment and the application of the most modern methods, the industry has steadily increased in efficiency, average output per manhour having increased from 30 pounds to 45 pounds in the last decade. Its workers are highly trained and well paid. The average hourly earnings early in 1967 were \$3.29 not including 78 cents per hour in supplementary compensation (fringe benefits). A list of the brass mills that are members of the Copper & Brass Fabricators Council, Inc., is attached (Exhibit A). These companies account for 85 percent of domestic brass mill production. More than two-thirds of them could be classified as small business, their number of employees being 500 or less.