

I must emphasize that these calculations are based upon export values which were derived from the Tariff Commission's converted rates. I have already received quotas from abroad for many of these products at export values that are, in fact, much lower than those derived from the Tariff Commission's converted rates.

The actual quotes, as distinguished from theoretical prices demonstrate dramatically that the Tariff Commission's converted rates were too low. More importantly, it shows that the figures I have just cited understate the potential adverse impact which the Kennedy round and separate package agreements will have upon our company.

In short, we are faced with more red ink than even the most pessimistic among us could have foreseen, and these figures do not reflect what the foreign dye cartel could do to my company and to our industry if it decides to take maximum advantage of the tariff reductions.

Let me stress that the quotes which have come to my personal attention are below our cost of manufacture. It would be cheaper for us to buy these products from our foreign competitors and shut down our own manufacturing if the separate package were enacted.

Enactment of the separate package would increase this pressure to intolerable levels and aggravate an already difficult situation.

In Newark, as in other big cities, tremendous effort is being exerted to solve the problem of disproportionate unemployment among those who dwell in urban ghettos.

Our firm is aware of this problem, and we are working with Federal, State and local government agencies toward a solution. We have initiated a comprehensive job training program for the hard-core disadvantaged that will give employment to individuals who desperately need work.

I would like to point out that 107 of our 207 employees in Newark are black, and many of them, when hired, came to us from disadvantaged backgrounds.

The average pay of those with less than 2 years of service is \$5,519, annually.

Those who have been employed 2 years or longer have average annual earnings that range from \$7,149 to more than \$10,000. Through on-the-job training, many of our minority group employees have risen to positions of responsibility, holding down positions as foremen and supervisors.

The nature of work in a dyestuff company lends itself to the development of specialized skills among those who may have shown little previous aptitude for formal education.

These job opportunities are threatened by the Kennedy round and separate package agreements, because our company cannot hope to compete with the lower priced products from abroad.

There are 39,000 jobs in chemical plants in the Newark area and 100,000 such jobs in the State of New Jersey.

I respectfully urge you to keep this in mind in reaching your decision on the separate package.

Thank you.

The CHAIRMAN. Thank you very much, Mr. May, for your very fine statement.

Are there any questions?