

war if it had to depend on sources of supply on this side of the Iron Curtain."

I am inclined to think that most of you would agree with me that, if it is bad for Iron Curtain countries to depend on foreign sources of supply in case of war, it is also bad for this country.

IMPORTS GENERATE UNEMPLOYMENT

Because of our batch operations, chemical producers like ourselves, absorb a relatively high amount of labor. We employ people of all walks of life including Negroes, Puerto Ricans, and refugees from Hungary and Poland. Some of these people have migrated here, because of the opportunities existing in this country, not aware that these same opportunities are now being exported on an increasingly large scale to competitor nations. In the New Jersey, Bergen and Passaic Counties alone, there are in excess of 22,000 people on the Unemployment Roll. Twenty-six weeks of Unemployment Compensation amounts to about \$35 million and it costs the state another 1½–2 million in administrative expenses to expend these funds. This is just for the two counties. Somebody may ask what is 65 or 70 more unemployed people. However, when you multiply this by hundreds of other small companies and add all the people who will be prevented, directly or indirectly, from being able to supply these companies with raw materials, services and equipment, you will realize that a seemingly small thing becomes quite staggering.

THE NEED FOR A MORE EFFECTIVE ANTI-DUMPING LAW

We believe that benzenoid chemicals are essential to the American economy and the welfare of its people and, if we consider this to be true, then in my opinion, it is the Government's duty to sufficiently protect this industry so it can stay healthy and make progress.

Keeping the American Selling Price on our tariff books is therefore of the utmost importance. But as I have explained, even with the American Selling Price and before any tariffs were reduced, benzenoid chemical producers have been confronted with a painful price erosion problem, as well as the problem of the rapidly increasing volume of imports.

You may wonder then why we haven't asked for relief under the anti-dumping law. The fact is that we have done so—but before the Government will act on a complaint, we must bring proof that the foreign export price is lower than the foreign home market price. This we have been unable to do.

The point I wish to make is that foreign producers can circumvent this particular provision of the anti-dumping law with impunity or with a relatively small sacrifice if their own consumption is only a small portion of their total export business.

For example, a benzenoid chemical producer in a European country with a population of only 5–6 million people may have the capacity of producing a million pounds of a certain product. The home consumption may only be 50,000 pounds while the remaining 950,000 pounds of his production are sold abroad. So in order to avoid any dumping suspicion, all the foreign producer has to do is to bring his home market price in line with his export price. This could, in some instances, work to further the foreign manufacturer's advantage if, as in the case of Germany, their competitive position is enhanced by a 10% additional rebate on exports to the United States and to third countries.

My Company feels that there should be a finding of injury if the import of a benzenoid chemical exceeds 20% of the U.S. production and if the price at which the import chemical is sold in the United States is below the level at which the United States producers can make a reasonable return.

SUMMARY

It has become painfully clear by now that tariff reductions by themselves do not increase exports. Their immediate and direct effect is to increase imports, reduce our balance of payments, increase unemployment and intensify the unhealthy price erosion problem with which our industry has been faced for years. If the Government eliminates the American Selling Price, there is nothing to stop foreign producers from taking over the entire United States benzenoid chemical market. I am sure that none of you gentlemen would like to see this happen.