

The CHAIRMAN. Mr. Cowherd. If you will identify yourself for our record we will be glad to recognize you for the 8 minutes that we agreed to give you.

STATEMENT OF EDWIN R. COWHERD, VICE PRESIDENT, DYESTUFF AND CHEMICAL DIVISION, GAF CORP.

Mr. COWHERD. I am Edwin R. Cowherd, vice president of the Dyestuff and Chemical Division of GAF Corp., formerly General Aniline & Film Corp.

GAF is the second largest dyestuff and organic pigment producer in the United States. We have a line of more than 1,600 dyestuff and pigment products and in the past several years our net sales of dyestuffs and pigments have averaged over \$40 million a year.

We have dyestuff and pigment plants in Linden and Paterson, N.J., and in Rensselaer, N.Y., representing a capital investment of \$45 million. In the dyestuff area alone, GAF has approximately 1,700 employees, with an annual payroll of \$14 million. The average employee in these plants has worked for GAF for more than 15 years and his average age is 45.

Layoffs or terminations due to product cutbacks could be a serious matter for these employees. For this reason, the unions at these plants and their national affiliates have already expressed their concern to this committee and the Congress about the administration proposal.

Our dyestuff manufacturing operations are very important to the local economies of the communities in which they operate. In addition to payroll, GAF pays substantial State and local taxes and makes purchases in the surrounding areas of approximately \$6 million annually.

GAF also has chemical operations at Linden and Rensselaer and other chemical plants at Calvert City, Ky., Chattanooga, Tenn., and Huntsville, Ala. A new plant at Texas City, Tex. is currently being placed on stream. In all, we operate manufacturing and research facilities at more than 50 sites in 26 States. Although only three of these plants produce dyestuffs, the technology involved in the manufacture of many of GAF's chemicals and other products is not only an outgrowth of dyestuff-related research, but this research continues to greatly contribute to these operations.

GAF, its employees, and the communities in which it operates have a vital interest in any proposed legislation that might materially affect its dyestuff and organic pigments operations.

We have, therefore, made a comprehensive study to determine the effect of the Kennedy round and separate package on our dyestuff and pigment business. It is always difficult to make such predictions accurately. However, it is relatively easy to determine the relationship of a change in price and volume to the welfare of a business.

When we consider the dyestuff business in this light, the alarming thing is its extreme sensitivity to small changes in either the price that is obtained for the goods or the volume of production.

In our study we selected 204 of our products, which we believed are most representative of our dyestuff and pigment business. These included: 74 vat dyes, 71 pigments, 33 synthetic fiber dyes, and 26 azo dyes. Each of these products was individually assessed to determine, in