

We want the record of these proceedings to show that if the proposed legislation is adopted, it will make it impossible for GAF to continue manufacturing many of its dyestuff and pigment products in the United States.

If you think it is important to maintain a healthy and prosperous chemical and dyestuff industry in the United States and protect the country's technological future, we urge you to reject the administration's proposal.

I thank you for the opportunity to appear before you this afternoon and present this testimony.

The CHAIRMAN. Thank you, Mr. Cowherd, very much. Are there any questions?

If not, we thank you very much for bringing to us your views.

Mr. COWHERD. Thank you.

The CHAIRMAN. The president of the Lakeway Chemicals, Inc. If you will identify yourself for the record we will be glad to recognize you for the 5 minutes that we agreed to. If, in the process, it is necessary for you to leave out any part of your statement, your entire statement will be included in the record, all except your annual report.

STATEMENT OF NORMAND PHANEUF, PRESIDENT, LAKEWAY CHEMICALS, INC.

Mr. PHANEUF. Thank you, Mr. Chairman. My name is Normand Phaneuf. I am president of Lakeway Chemical Co. Lakeway is a small publicly owned company that was started in 1960 with the aid of a loan from the local community development fund.

We have only one plant located in Egelston Township outside the corporate limits of Muskegon, Mich., and we are the largest taxpayer in the township.

This is a business that I started from scratch on 40 acres of bare land. From a meager beginning, we have grown to annual sales of over \$3 million, 72 percent of which is derived from benzenoid products. Our growth is the result of many years of hard work. Our business is owned by Lakeway's 358 shareholders, many of whom are small, and has a total equity of \$1,344,000 on May 30, 1968. Approximately 60 percent of this total is invested in our benzenoid facilities. Our benzenoid facilities employs 44 people, 67 percent of total employment. Our approximate benzenoid annual payroll is \$400,000, and the total flowback into our community as a result of our total business amounts to \$1,145,000.

Our current business is affected by imports, particularly from Japan. In 1965, the U.S. import bulletin had no record of any imports of dichlorobenzidine, our principal benzenoid chemical. Lakeway is one of four U.S. producers of dichlorobenzidine and possibly the largest single producer. In 1966 imports of this product were reported at 192,981 pounds, or 7.7 percent of total estimated usage. We believe the figure for 1967, when it becomes available from Federal sources, will reveal that over 10 percent of the U.S. market was supplied by imports. To obtain this volume the Japanese have offered products to the U.S. users at 12 to 13 percent below domestic prices. In fact, we believe that the Japanese are dumping dichlorobenzidine in the