prices, the duty reduction would return as pure profit. Either way the dollar value of our exports rises.

Some of their exports they say cannot expand because the local product is preferred. This may indeed hinder exports, just as on the other side it is likely to hinder imports although the industry tends to deny that it is of any significance when looked at from that point of view. Patent laws similarly work equally both ways.

A further large group of exports sell under competition says Du Pont, so that price reductions will be met by foreign producers. This, of course, is exactly what domestic spokesmen say will happen with respect to our imports. But if prices fall, sales will expand, resulting in a larger market for both domestic goods and imports.

Other products, says Du Pont, cannot expand because they are noncompetitive and therefore price is not a primary factor (p. 8). Coupled with the preceding excuse this means whether products are competitive or noncompetitive, price reductions can't increase sales. Therefore, tariff reductions can never increase sales. Therefore, U.S. tariff reductions will not increase imports into the United States. Therefore, the domestic industry has nothing to worry about from tariff cuts. It surely works both ways.

There are indeed many reasons why tariff reductions may not lead to a flood of exports. But for exactly the same reasons that they limit exports, they will limit imports. There is no reason that Du Pont gives that is not equally applicable to the United States. Exports may indeed rise by relatively little. Imports for exactly the same reasons can be expected to rise by little, and the balance between them is thereby reasonably preserved.

The schizophrenia of the industry in this connection may be highlighted by this matter of specialty products. Du Pont says that it can't expect increased exports for specialty products because they are not competitive and price is not a primary factor. In the same hearing Edward Cowherd of General Aniline & Film says that they are particularly subject to injury from imports because many of their products are specialty items, and are even more sensitive to price and volume changes than our regular line of products. (p. 3.) This is typical of an industry that argues any side of a case that seems to fit the immediate purpose without regard to facts or even consistency.

## MONOPOLY

Another area where the industry does not seem to care much for consistency is in the realm of monopoly. They make much of the cartelization of European and Japanese firms without regard for the fact that U.S. firms are in the same boat. Thus, Mr. Barnard cites recent actions of the Germany Cartel Authority without apparently remembering that American Cyanamid, Bristol-Myers, and Chas. Pfizer have just been convicted of conspiracy to control the manufacture, distribution, and sale of broad-spectrum antibiotics and to fix artificially high prices for these drugs.

Even without conspiracy there is a high degree of monopoly in the benzenoid industry. Of the 1,628 dye intermediates manufactured in this country, 1,029 (or 63 percent) are made by a single firm. On the average each intermediate made in the United States is produced