

TABLE 6.—WORLD EXPORTS OF DYES AND PIGMENTS (SITC 531)

[In metric tons]

Exporting country	1966	Percent of whole	6 months, 1967	Percent of whole
West Germany.....	51,880	38.5	26,738	39.3
Other EEC.....	16,524	12.3	8,046	11.8
Subtotal.....	68,404	50.8	34,784	51.1
Switzerland.....	28,238	21.0	13,213	19.4
United Kingdom.....	21,355	15.9	11,309	16.6
Other EFTA.....	1,304	1.0	621	.9
Subtotal.....	50,897	37.9	25,143	36.9
Japan.....	5,275	3.9	3,471	5.1
United States.....	9,966	7.4	4,702	6.9
Total.....	134,542	100.0	68,100	100.0

Sources: OECD, "Commodity Trade: Exports," 1966; OECD, "Commodity Trade: Exports," January-June, 1967.

U.S. dye and pigments industry through repeal of ASP and substitution of reduced converted rates based on foreign selling price to us is an outrage.

Advocates of ASP repeal base their case on the allegation that American producers can cut off imports by arbitrarily raising the duty on a product by raising the price.

This argument completely ignores the reality of the market place where a price increase of \$1 per pound would be required to raise the duty by 20 cents and would itself make the U.S. product noncompetitive, if it were not already so. It also ignores the operation in the United States of strong antitrust laws and the vigilant attention of the U.S. Department of Justice to prevent price fixing.

In contrast with the few producers located in the principal foreign countries exporting dyes to the United States, there are more than 50 producers of dyes in the United States, each competing vigorously under antitrust ground rules for a place in the American market.

The real crux of the matter is that the members of the foreign cartels wish to secure for themselves the power to reduce U.S. duties under a system in which dutiable value would be based upon their foreign export price.

If ASP is repealed, the foreign cartels will be able to carry on a campaign under which for each 30-cent reduction in their foreign export price, the U.S. Government would contribute a further reduction in landed cost of 9 cents.

To acquiesce to the demands of the foreign cartels, sponsored by their governments, at this stage of history would be knowingly and purposefully to sacrifice as expendable the businesses, plants, investments, and employment of the small U.S. dye companies.

The sole basis for the health and welfare of the U.S. dye industry and its employees lies in continued access to U.S. produced dyes to the U.S. market. This access will be destroyed by the repeal of the ASP system.

In the name of justice and fair play, therefore, we call upon this committee and the Congress to reject the proposal to repeal ASP as to dyes, pigments, and dye intermediates.

This concludes my statement, Mr. Chairman. I thank you very much.