

VIII. THE U.S. DYE INDUSTRY HAS A SMALL AND DECLINING SHARE OF WORLD EXPORTS BY THE PRINCIPAL DYE PRODUCING NATIONS AND IS VIRTUALLY EXCLUDED FROM THE MARKETS OF THE EUROPEAN AND JAPANESE CARTELS

The gross unfairness of the attack which the members of the European and Japanese dye cartels have launched against the U.S. industry is shown by a comparison of the share of world dye exports which each producer enjoys.

In 1967, West Germany supplied 39% of world exports of dyes and pigments; the EEC, 51%. Switzerland and the United Kingdom together accounted for 37%. The United States supplied 6.9% ; Japan, 5.1%.

The major point is that four countries—West Germany, Switzerland, United Kingdom, and Japan—together supplied 80% of world exports; the United States, less than 7%.

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.

In dollar terms, the United States share of world exports of dyes and pigments has declined from 8.5% in 1962 to 7.2% in 1966. The United States supplied only 2.6% of world exports of dyes and pigments to France in 1966; 1.9% to Germany. The U.S. share of the world's exports of dyes and pigments to Switzerland dropped from 14% in 1963 to 9% in 1966; from 11% of the exports to the United Kingdom in 1964 to 8% in 1966. The United States accounted for 13% of world dye and pigment exports to Japan in 1962, but only 8% in 1966.⁶

In fact, the U.S. share of world exports of dyes dropped between 1962 and 1966 to 14 out of 17 Latin American nations; to 14 out of 17 Western European nations; to 6 out of 11 Middle East nations; to 3 out of 4 African nations for which complete data are available; and to 7 out of 12 Asian nations.

The biggest export market for the United States is Canada, but even there the U.S. share of exports to the Canadian market has slipped from 60% in 1963 to 55% in 1966.

The fact is that the foreign cartels have the world export market for dyes and pigments very much to themselves. The U.S. industry is a very small factor, and is steadily being forced out of even this slender position in world markets.

Under these circumstances, the extraordinary attempt being made by the nations representing the foreign cartels with the cooperation of the Administration to knock the base out from under the U.S. dye and pigments industry through repeal of ASP and substitution of reduced converted rates based on FSP is an outrage.

The result of such action is clear without doubt: The U.S. market for dyes and pigments will be turned over entirely to foreign production in a short span of time. Our company and other smaller producers will be ruined. Our employees will be thrown out of the well-paying jobs and the seniority status they now hold. In the name of what? Access to the U.S. market? No. Relief from an insufficient participation in the world export market? Assuredly no. Why then?

⁶ U.S. Department of Commerce, Bureau of International Commerce, Market Share Reports, 1962-66 (April 1968), SITC 531.0.