

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If ASP is repealed, the foreign cartels will be able to carry on a campaign under which for each 30-cent reduction in their foreign export price, the United States Government would contribute a further reduction in landed costs of 9 cents. This power over U.S. duties is a key element in the program of the foreign dye cartels to take over that part of the American market for dyes now supplied by the small independent companies such as American Aniline and the members of the Ad Hoc Committee of U.S. Dyestuff Producers.

The President and the Congress understood these facts of life when the ASP system was established in 1922, reaffirmed in 1930, and preserved against efforts to eliminate it through "customs simplification" in 1951.

To acquiesce to the demands of the foreign cartels, sponsored by their governments, and unwittingly supported by the Administration, 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.

By every test in the domain of results by which a liberal trade policy can be judged, there is no need to repeal ASP and thus sacrifice the independent American dyestuff industry: The growth rate of imports exceeds that of most other American industries. Furthermore, the rising import penetration of the domestic market in dyes is equal to that in textiles, a recognized symbol of excessive import competition. The manufacture of dyes is, moreover, equally or more labor-intensive than the manufacture of textiles, the industry which the dye manufacturers exist primarily to serve and with whose fate the welfare of the dye industry is inextricably bound.

The foreign dye cartels clearly dominate world trade in dyes and pigments, while the United States dye industry is virtually excluded from the world export trade, holding a slight and steadily diminishing share of total exports to the vast majority of the markets of the world.

The decision before this Committee, therefore, turns essentially upon the concepts of justice, equity, and fair play. Our past trade agreement reductions in rates of duty have unquestionably granted equitable access to the foreign producers to the U.S. market; their stronger competitive position and their export-promotive and import-regulating practices deny a comparable fair share of the world export market to the United States industry.

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

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.

Thank you. This concludes my statement.

EXHIBIT 1.—*Ad Hoc Committee of U.S. Dyestuff Producers*

American Aniline Products, Inc., Paterson, New Jersey.
 Atlantic Chemical Corporation, Nutley, New Jersey.
 Berncolors-Poughkeepsie, Inc., Poughkeepsie, New York.
 Blackman Uhler Chemical Co., Spartanburg, South Carolina.
 The Harshaw Chemical Company, Cleveland, Ohio.
 Industrial Dyestuff Company, East Providence, Rhode Island.
 Lakeway Chemicals, Inc., Muskegon, Michigan.
 Nyanza, Inc., Lawrence, Massachusetts.
 Patent Chemicals, Inc., Paterson, New Jersey.
 Pfister Chemical Works, Inc., Ridgefield, New Jersey.
 Southern Dyestuff Company, Charlotte, North Carolina.
 Young Aniline Works, Inc., Baltimore, Maryland.