

(The information referred to follows:)

ADDRESS BY EUGENE L. STEWART, GENERAL COUNSEL, TRADE RELATIONS COUNCIL,
TO THE CHEMICAL MARKETING RESEARCH ASSOCIATION, AT THE PLAZA HOTEL,
NEW YORK, NEW YORK, MAY 2, 1968

OPPORTUNITIES AND DILEMMAS IN WORLDWIDE CHEMICAL MARKETS

The Impact of U.S. Foreign Trade in Textiles on Benzenoid Dyes, Pigments, and Textile Assistants

Mr. Chairman, allow me to begin by expressing again the appreciation of the Trade Relations Council for your kind invitation to participate in this interesting program.

A brief word about the Council may be of interest to your members. The membership of the Trade Relations Council represents a broad cross section of American industry, including manufacturing firms in the textile and chemical industries. The principal activity of the Council consists of an intensive and continuing study of employment, output, and foreign trade data of U.S. manufacturing industries.

We have established a computerized data bank at Georgetown University which contains all available U.S. Government data pertaining to the economic growth and foreign trade performance of U.S. industries. The Council undertakes to perform a service to Government and industry by periodically publishing studies based upon an analysis of these data drawing heavily upon the potential for analysis implied in the electronic data retrieval system which I have described.

Accordingly, it is entirely consistent with the service role of the Trade Relations Council for me to have an opportunity to take part in this program and to present some facts which may be of interest to the knowledgeable marketing personnel in your group who are concerned with both the textile and chemical markets of the United States.

It is scarcely necessary for me to remind the members of this group that market growth and development respond to a variety of economic changes. Increasingly in U.S. markets for manufactured goods, the alteration of the competitive relationship between domestic and foreign goods through governmental action in the tariff and trade area may have significant—even profound—effects both on market growth and participation in the growth of the markets by U.S. manufacturing firms. This is especially the case in textiles and benzenoid chemicals.

As a prelude to the substance of my remarks, let me remind you of some of the key facts concerning recent governmental actions which promise significantly to alter the competitive relationship between domestic and foreign textiles and benzenoid chemicals in the United States market. I refer, of course, to the Kennedy Round and particularly to the actions of the U.S. negotiators in agreeing to U.S. tariff reductions for the benefit of foreign suppliers of the U.S. market.

Cotton textile articles were reduced an average of 21%, man-made fiber textile products 15%, and wool textile products only 2%. These reductions were unevenly distributed, however, and the implications of that distribution are important for the sale of chemicals to the textile industry. As contrasted with the average reduction of 21%, cotton fabric and apparel were reduced 25% and miscellaneous finished cotton textile products were reduced 33%.

In man-made fiber textile products, fabric was reduced 18%, made-up articles 29%, and miscellaneous products 30%. Apparel articles were reduced least of all—6% on the average; but this needs to be understood in the context of current import trends which find apparel and finished textile product imports, both of cotton and of man-made fibers, rising at a far more rapid rate than that of other textile products.