The data on which this chart is based may be summarized as follows:

TABLE 1.—IMPORTS OF GRAY GOODS AND OTHER FABRIC AND TEXTILE MANUFACTURES

[In millions of pounds of fiber equivalent]

	Gray goods	Other fabric and textile manufactures	Total
1953	20.5	43.5	64.0
1957	36.0	92.8	128.8
1961	74.3	157.5	231.8
1965	158.2	318.5	476.7
1966	201.6	379.2	580.8
1967	182.4	399.3	581.7
1972	338.5	794.7	1,133.2
1976	580.4	1,589.5	2,169.9
1980	1,089.2	3,567.1	4,656.3
Percent change:			
1953–67	+789.8	+817.9	+808.9
1967–80	+5,313.2	+793.3	+700.5

Source: Trade Relations Council of the United States, Inc.

U.S. producers of dyes seeking to supply the needs of the domestic textile industry have been faced with rapidly shifting foreign and domestic market trends of their own. These changes may be summarized as follows:

1. Between 1953 and 1967. both total domestic consumption of dyes and the consumption of dyes by the domestic textile industry increased by 39%.
2. U.S. dye producers boosted their exports by 35% during this 15-year period.
3. The big shift, however, occurred in imports which rose by 328% between 1953 and 1967.
4. As a result, shipments by U.S. dyestuff producers rose only 36% in 15 years—3% less than the growth of our domestic dye market.

Now, as of January 1, all U.S. dye imports are subject to a 10% reduction in duty, and an additional 10% duty cut will be placed in effect on January 1 of each of the next 4 years. Taking these duty cuts into consideration and projecting a modified exponential trend of the experience of the past 15 years, we see the following as the situation by 1980:

1. Domestic consumption of dyes will increase only 9% in the next 12 years, both in total and by the textile industry.
2. U.S. dye exports will rise by 63%.
3. Imports of dyes will increase nearly sevenfold and represent in 1980, 72% of domestic consumption in textiles.
4. As a consequence, domestic shipments by U.S. producers of dyes will decline absolutely by 34%—nearly 3% a year.

The outlook for the dyestuff producers is disturbing. to say the last, as shown by Chart 3.

The data on which this chart is based are set forth on Table II of the Appendix.

But the displacement of U.S. dye sales by direct dye imports is not the story which holds our attention today, important as it may be. Rather, we are interested in what the impact of textile imports may be on the dye market.

We have undertaken to measure this by correlating the quantity of dyes consumed domestically by the textile industry with the amount of fiber consumed by textile mills in producing the articles which are dyed and finished in the course of their travels from textile mill to consumer. By reducing imports of fabric other than gray goods and textile manufactures beyond the fabric state to their fiber equivalent in pounds, we are able to apply a factor representing the average per cent of dyes used per pound of textile fiber consumed in textile manufacture.

By this procedure we have derived, as shown in Table III in the Appendix, the quantity of dyes contained in imported textile products. This indirect importation of dyes represents a loss of market potential to the domestic dye industry no less than the direct imports. The impressive proportion of indirect to direct dye imports is shown in Chart 4.