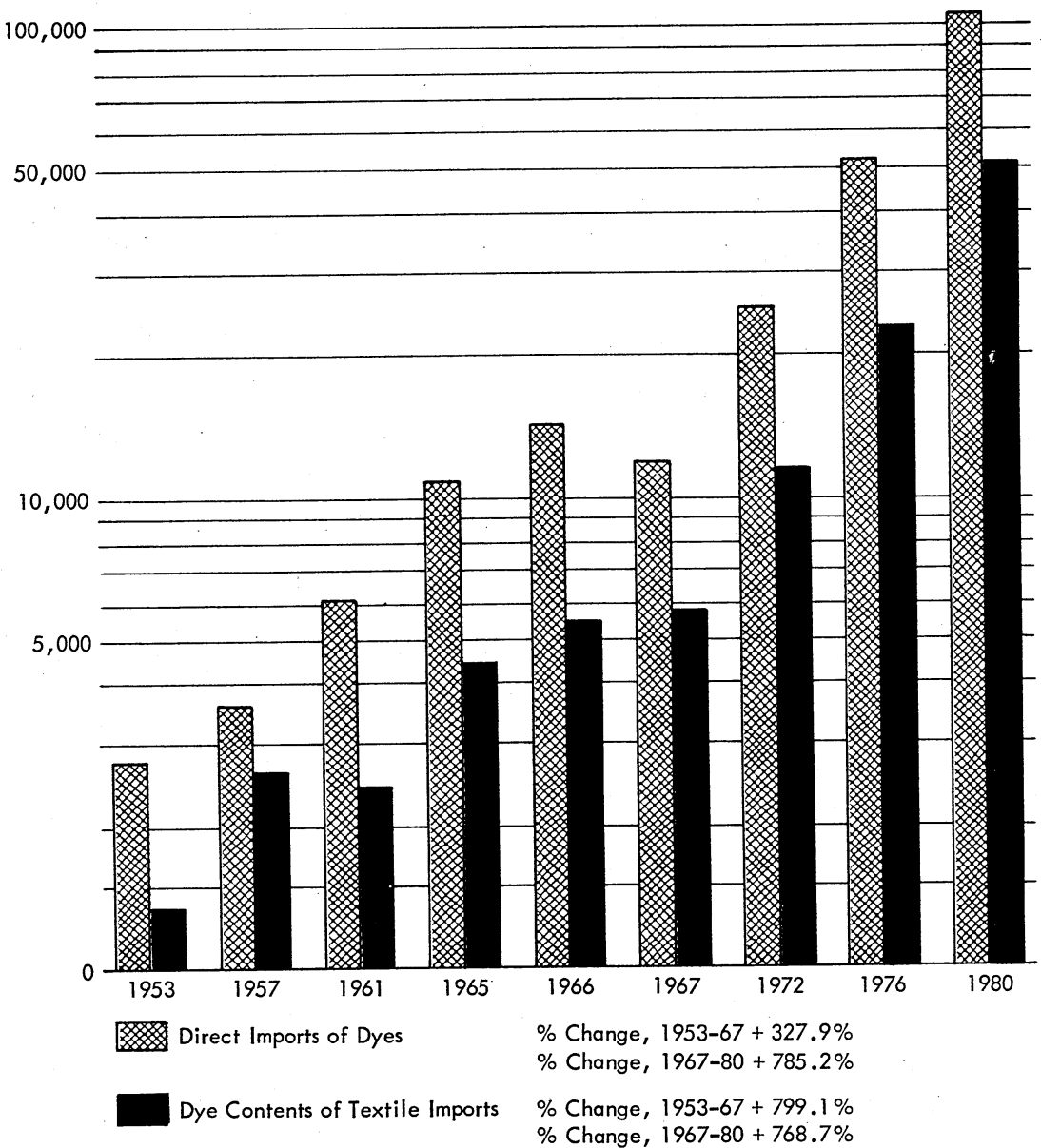


Chart 4

INDIRECT VS. DIRECT IMPORTS OF DYES
(In Thousands of Pounds)

Import competition is only one side of the story. To take a balanced view of the matter we need to consider with equal care the market potential created by the export activities of both the U.S. dye producers and the textile industry whose exported products create demand for dyes.

Using the same technique—that is, observing the relationship of dyes consumed to textile fibers consumed by the textile industry in each of the past 15 years—we have measured the probable dye content of U.S. exports of textile articles and have added these quantities to the direct export shipments of dyes by dye producers. Comparing these aggregate data with the similar measurement of direct and indirect dye imports, we have struck a balance of trade for dyes.

(I should say parenthetically that the Government uses this same technique in measuring the impact of textile imports on the domestic textile industry by con-