Line 3 in exhibit #2 shows that the trade balance for the dyestuffs industry has gone from an $8 million surplus in 1964, to a $7 million deficit in 1966. However, since these figures include A.I.D. export transactions, if these were subtracted, the true trade balance shown on line 6 would be approximately $8 million deficit for 1965, and has doubled to $16 million deficit for 1966.

When 1967 figures are available, we predict this deficit will be even larger.

If we remove ASP and destroy the American dyestuffs industry, we may possibly be considering trade deficits in the future of several hundred millions of dollars.

The sixth claim is that the so-called bargain to eliminate ASP "Is for for our industries, good for our workers, and good for our consumers." As our business facts have shown, this is not true about the dyestuffs industry.

We regretfully acknowledge the offer made to liberalize its tests for adjustment assistance, if necessary, but we also ask, is it necessary to destroy the American dyestuff industry and place it on the dole?

Thus far I have dealt with business facts. May we for a moment consider some human facts? Our Reading, Pennsylvania plant is our largest manufacturing unit. It contains our technological center. Skills that have been carefully built up there for close to fifty years would be irretrievably lost.

Our other plants are located in areas where large minority groups of disadvantaged and underprivileged people strive to make a decent living for themselves and their families. The impact of any retrenchment on these workers caused by the elimination of ASP would be great. The job loss to their communities and the expenditures of time and money on retraining, relocation, and the other welfare needs of these people are incalculable.

CONCLUSION

In conclusion, may I state that we think the 50% reductions in tariffs already agreed upon in the Kennedy round have already placed an nearly impossible burden on the dyestuffs industry. Ordinary *common sense* dictates that we now pause and study the effects of this burden before experimenting with the abolition of ASP. To rush into any further reductions of this proportion without taking the required time to observe the effects of the Kennedy round on this industry is simply not businesslike. It would be blindly rushing toward a still distant utopia without paying attention to the pitfalls—and might transform the lofty concept of free trade, through reciprocity and fair play, to the practical reality of sacrifice and annihilation for the American dyestuff industry.

Thank you for your time and courtesy.

STATEMENT OF CHESTER M. BROWN, CHAIRMAN OF THE BOARD, ALLIED CHEMICAL CORPORATION

I. INTRODUCTION

This statement is submitted on behalf of Allied Chemical Corporation and in response to this Committee's announcement of May 9, 1968, requesting views of interested parties with respect to some of this nation's pressing international trade problems.

Allied Chemical is incorporated under the laws of the State of New York. The Corporation is a major producer of a broad line of synthetic organic chemicals, fibers, plastics, and industrial chemicals. It has about 130 plants, mines, quarries, and petroleum operations located in 33 states. In addition, Allied Chemical has foreign operating subsidiaries, affiliates or interests in plants located in Argentina, Australia, Brazil, Canada, Costa Rica, France, Germany, Greece, Great Britain, India, Indonesia, Iran, Italy, Mexico, Netherlands, Portugal, South Africa, Spain, Taiwan and Venezuela.

Since 1964 the Corporation has had annual gross sales in excess of $1 billion. During that period, the Corporation has paid over $205 million in income taxes, for an annual average of over $50 million. In the United States alone, Allied Chemical has approximately 37,000 employees, to whom about $275 million was paid in salaries and wages during 1967. In addition, the Corporation distributed over $50 million in dividends to over 100,000 stockholders.

Thus, Allied Chemical is an important contributor to the economic health of the communities in which it is an employer, as well as to the overall prosperity