

(the old I. G. Farben in Germany), I.C.I., (Great Britain) and Francolor, (France), to mention some of the "nationalized" or "cartelized" giants whose annual sales exceed one billion dollars.

Under these circumstances, providing them further leverage by eliminating 80% of our present tariffs, represents a substantial handicap to say the least. This is particularly true in light of their pricing policies involving tax rebates, subsidies, incremental costs, etc., many of which are not condoned by our anti-trust laws.

In 1966 we presented exact data on the effect of these policies on our operation to the Tariff Commission. These results, which I have reason to believe were in substantial agreement with other domestic dye producers, have never been made public, although I specifically authorized complete disclosure.

We realize that we are a small problem on the scale of international trade values, but we hope our plight can be considered.

Despite spending over one million dollars in the last few years for plant modernization, our future is dim indeed if the present protection afforded by tariffs based on ASP is reduced 80%. The ability of our employees to be "re-trained" and obtain equivalent jobs is highly questionable, as is the concept of government aid to develop new products for our specialized facilities.

Very truly yours,

ROLAND E. DERBY, Jr., *President.*

STATEMENT OF WALTER L. MITCHELL, PRESIDENT, INTERNATIONAL
CHEMICAL WORKERS UNION

My name is Walter L. Mitchell. I am President of the International Chemical Workers Union. Our union is comprised of 420 locals and has a total membership of 110 thousand chemical workers.

I appear before you today to voice our union's strong opposition to the elimination of the American Selling Price and the implementation of the separate package agreement provided for in Title IV of H.R. 17551.

Our members are the most productive and although underpaid for this productivity, they are better paid than chemical workers elsewhere in the world. We hope and indeed we expect in the years ahead to be more productive and to be far better paid. The United States and its chemical workers enjoy a higher standard of living than elsewhere in the world. This is as it should be.

However, ever increasing imports from low wage countries pose a serious threat to the American chemical worker—indeed, a much greater threat than it does to the American Chemical Industry—they can and frequently do move abroad. Chemical workers abroad earn anywhere from one-half to one-fifth as much as the American chemical worker. The low wages paid to foreign chemical workers can and do affect the price of their chemical products. We see no reason why the United States chemical workers and the United States chemical industry should be subjected to unrestricted unfair competition from imported foreign products which derive such price benefits from the low wages paid to foreign chemical workers, even those who work for American companies abroad.

It is for this reason that we are greatly concerned about the effect which the Kennedy Round and separate package agreements on chemicals will have upon the members of our union.

ASP

The International Chemical Workers Union and its 110 thousand members strongly supports the retention of American Selling Price for benzenoid chemicals.

American Selling Price valuation is based upon the value of the product produced in the United States, not upon the value of the imported product. As such, it reflects the cost of producing the product in the United States and not the lower cost of producing the product abroad. We see no reason in logic why customs valuation should be based upon the lower cost of producing the product abroad, rather than upon the cost of producing it in the United States. By using the price of the foreign product, instead of the U.S. price, we are giving foreign producers, whether American in origin or not, a significant tariff advantage on top of the significant cost advantages they already enjoy.

We therefore believe that American Selling Price valuation should be retained by benzenoid chemicals.