the ASP issue, as well as on extensive consultations with firms in the industry.

Let me cite but a few figures, both for all of the chemical industry and for that portion protected specially by ASP. It is not always meaningful, I should note, to attempt to concentrate only on the benzenoid portion of the chemical industry. Useful data are not always available for benzenoid activities only. Perhaps more important, we found that some of the major chemical companies—large, integrated, and diversified firms—also dominate the benzenoid sector, though their benzenoid production and sales are often but a small fraction of their total corporate activity. In such cases it is not reasonable to examine only the small fraction and overlook either the largest area of their activity or the close interrelationships between the parts.

We found that in 1964, the base year for data for our negotiations, the chemical industry sold products worth $36 billion of which $3 billion were protected by ASP. ASP imports, in turn, were $50 million, of which only about half were deemed by the Customs Bureau to compete with American-made chemicals. This works out to an import "penetration" less than 1 percent of our domestic market for competitive products, far below the national average for all manufacturers.

We found further that not only has the chemical industry generally been one of our fastest growing industries, as is well known, but also that its benzenoid segment has a growth record—overall from 7 percent to 8 percent per year—that is impressive indeed. I probably need not detail our export record in chemicals. The average increase has been no less than 10 percent per year. We have not only the significant export surplus I noted earlier, but a surplus with each of our major trading partners—with Japan, with Canada, the EEC, and the United Kingdom.

Our chemical exports, further, have grown even faster than average into those foreign markets where the local firms have an advantage over our producers by virtue of customs unions or free trading areas, such as the EEC and the EFTA nations. Our share of the EEC import market, for example, is equal to that of Germany, our strongest competitor and one with favored tariff treatment in selling into the other EEC member states.

The picture for benzenoids alone, though the figures are less complete, is much the same. Our exports in 1964 probably exceeded $300 million. We exported at least six times as much as we imported or better than a tenth of production. We exported more than we imported, substantially more in most cases, in each of the major benzenoid product groups—in intermediates, in dyes, in pigments, to name the presumedly more sensitive ones, and clearly more in those groups where our competitive strength is seldom called into question—in plastics, in pesticides, plasticizers, and surface active agents.

We also found great concentration of production and sales in the hands of a few large firms. While small firms, often specializing in a few products or special services, are found in many benzenoid product lines, we also found, for example, that five integrated and diversified companies account for two-thirds of total U.S. production of ben-