ASP was made applicable to benzenoid chemicals after World War I to give additional protection to the coal-tar sector of the war-born U.S. chemical industry. It is applied to imports of benzenoid intermediates and to certain finished products, such as dyes and pigments, medicinals and pharmaceuticals, flavor and perfume materials, synthetic rubbers, pesticides, and plastics and resin materials, when they are competitive with domestic production.[57] Determining the competitive status of imports is another problem, in addition to ascertaining the American selling price. Although imports are regarded as competitive whenever there is domestic production of similar articles, uncertainty still exists because it is not uncommon for articles to change from competitive to noncompetitive status and vice versa within short periods of time.

In 1964, the foreign invoice value of imports of benzenoid chemicals was $49 million, of which $23 million were competitive and therefore subject to ASP. Imports came almost exclusively from industrial countries, with the EEC supplying the largest quantity and Germany being the principal exporter.[58]

The $23 million of competitive benzenoid chemical imports to which ASP applied amounted to 3.2 per cent of total U.S. chemical imports of $710 million and to about 0.7 per cent of U.S. sales of benzenoid chemicals of around $3,400 million. Because of the trade-inhibiting effect of ASP resulting from high duties and uncertainty, such comparisons are not a good index of restrictiveness. Better perspective may be gained from the fact that sales of benzenoid chemicals are around 10 per cent of total sales of the U.S. chemical industry—ASP, therefore, relates to about this proportion of the U.S. chemical industry.

The effect of ASP valuation on duties collected varies widely. For example, a 40 per cent tariff rate applying to the American selling price of a particular group of dyes results in a duty that has an average *ad valorem* equivalent of 172 per

[57] If imports of benzenoid chemicals are not competitive with domestic production, "United States value" applies. If this is not ascertainable, then the other alternative bases of valuation under the applicable new or old valuation provisions apply.

[58] See U.S. Tariff Commission, *Imports of Benzenoid Chemicals and Products*, 1964, TC Publication 159 (Washington, D.C.: July, 1965).