

Therefore, our organization has a rather broad "across the board" interest in the field of international trade, and this statement is concerned primarily with the matters involving foreign competitive imports and their effect upon domestic employment, upon our economic well-being and, among other things, the manner, form and degree of regulation of our foreign commerce which is to be exercised by the Congress of the United States.

Our position on these matters may be summarized briefly, as follows:

(1) We are opposed to the repeal of the American Selling Price basis of valuation under the Tariff Act of 1922.

(2) We are in support of H.R. 16936, introduced by Congressman Sydney Herlong, and companion bills introduced by several members of the House of Representatives referred to as the "Fair International Trade Act of 1968."

(3) We are not opposing import quotas—either those currently in effect or those being proposed. It is entirely possible that in some cases they may be necessary to afford proper regulation of a competitive import.

We would emphasize the imperative need for a broad approach covering a wide range of competitive imports of industrial and agricultural products in order to properly regulate the degree of such penetration of our market. H.R. 16936 would not impose a ceiling until a competitive import, or a group of like or similar competitive imports was climbing too fast and taking too large a share of the American market.

A ceiling investigation may be made to the Tariff Commission by the President, the Senate Finance Committee, the House Ways and Means Committee, a trade association, a National Labor organization or other interested party.

The purpose of H.R. 16936 is to stabilize imports and to eliminate their destructive effects while providing for their expansion in equal proportion to the growth of the domestic market for the product concerned.

The United States and our trading partners have lived under the American Selling Price system of valuation, as it applies to benzenoid chemicals, for the last 46 years. Employers have made their investments in plants and equipment, scheduled employment of workers and through negotiations with our union and others have established pension programs and other benefits for the long-time security of our workers. Under the ASP system, the employers of our membership know from day to day the extent of protection afforded them in the market place and our membership (the American workers) has reasonable knowledge of the extent to which their jobs are secure and their standard of living is protected from the outside forces of low wage producers bidding for our jobs and markets.

A quick look at some of the converted rates of duty as compared to the most favored nation rate of duty (T.C. Publication 181, July 1, 1966, T. S. US Items 403.02 through 409.00 inclusive), indicates that there is a substantial difference between the American Selling Price valuation and the foreign invoice or export valuation to reflect the ad valorem equivalent of the converted rate.

For example, an item where the current ad valorem duty is 19 percent and the converted rate is 36 percent would indicate that an article having a foreign export value of \$1.00 would have an American Selling Price of \$1.89; or, an item where the current ad valorem duty is 40 percent and the converted rate is 72 percent would indicate that an article having an export value of \$1.00 would have an American Selling Price of \$1.625.

The arguments advanced by our European and Asiatic trading partners that the American Selling Price system should be repealed are quite unconvincing to the American workers or to all of us who have a rightful concern with correcting our balance of payments deficit, the stability of our dollar and the war on poverty.

More than 115,000 workers are employed by some 724 producers of benzenoid chemicals. In 1965, general imports of benzenoid intermediates totalled 38 million pounds with an invoice value of \$19.5 million. This is compared with 18.8 million pounds with an invoice value of \$14.4 million in 1964—an increase of 102.1 percent in quantity and 35.4 percent in value.

All of this should give pause to this Committee and to the Congress in considering the repeal of our American Selling Price system of valuation, which would imperil our domestic benzenoid industry and the jobs of our workers in this industry, encourage domestic producers to abandon operations here and set up shop overseas, and export our jobs overseas and supply our market from abroad.