with the studies made by our marketing experts, the Kennedy round tariff cutting is particularly distressing.

Never before has this industry sustained a 50-percent cut in tariffs at a time when foreign production economics are better than those in the United States and when, in fact, U.S. exports will probably be less competitive abroad. Approval of the supplementary agreement eliminating ASP will make tariff cuts over and above the 50-percent cut already effected in the Kennedy round. This move not only goes beyond the 50-percent cut which Congress approved in the Trade Expansion Act of 1962, but more than that, it will have a heavy impact upon a vital segment of the U.S. chemical industry.

This committee is well aware that the American selling price system applies only to benzenoid chemicals. Sales of these products amount to about 8 percent of the total U.S. chemical shipments. Many of the benzenoids are sophisticated and complex products including such things as medicinals and dyes, but including also larger volume and cheaper intermediate products. When a benzenoid product is imported into the United States, it is assessed on the value of a U.S. selling price only if a competitive product is made in the United States. Noncompetitive products are not assessed on the basis of the American selling price. The disadvantage to the importer lies only in the degree to which the selling price in the United States is higher than the price at which he wishes to sell his product in the United States. In the truest sense of the word, the American selling price system tends to equalize costs of products entering a relatively high-cost economy.

In 1966, the Tariff Commission converted benzenoid tariff rates to rates which would give the same duties at the border when they were applied to export values from abroad. The conversion was not equitable due to the sheer complexity of the task and unavailability of foreign prices. The importance of the conversion was essentially eliminated because in the supplementary package you are asked to approve, a ceiling was set on tariff rates for benzenoid chemicals. The ceilings were 30 percent on dyes, 25 to 27 percent on sulfonamides, and 20 percent on other benzenoids. These ceilings were below one-half of the converted rate in most cases.

Now, members of this industry have made extensive studies during and after the Kennedy round on the impact of both the Kennedy round and the elimination of ASP. The Tariff Commission has also made a detailed study of the impact of loss of ASP. We have, repeatedly, Mr. Chairman, asked that the results of this study be made available to us, and our requests have been refused by the Office of the Special Trade Representative. We feel that information which is so vital to the interests of our industry should be made available, particularly to your committee.

Individual companies have made studies to determine the impact of the elimination of the American selling price method of customs valuation. These studies have not been assembled and summarized by the Manufacturing Chemists Association. Many member companies will appear individually before this committee to demonstrate the results reflected by these studies. It is clear to our association, however, that the impact of the elimination of the American selling price