would be great, not only on the chemical industry, but on the U.S. balance of trade as well.

It is claimed by the administration that the United States will receive equal or greater concessions in return for elimination of American selling price. Our membership disagrees. The worth of these concessions are, of course, worthy of the same exhaustive study given to the impact of loss of ASP.

The concession to the United States for elimination of ASP in the separate package is the additional 30-percent tariff cut on chemicals by the EEC countries and the United Kingdom. This would bring the total chemical concessions by the EEC and the United Kingdom to the 50-percent cut made by the United States in the Kennedy round. There are, additionally, three nontariff barrier concessions by other countries in the supplementary agreement. Although we are not qualified to measure the worth of these concessions, they would seem to be minor.

The prospect of giving up ASP to bring EEC and the United Kingdom tariff cutting to the same level of cut already made by the United States is unreciprocal on the face of it. Beyond that, there will be no significant gains in exports as a result of the additional cuts of 30 percent. This is true for a number of reasons including, importantly, the rationalization of the indirect tax system in Europe. To summarize, the impact of the loss of ASP in increased imports to the United States will not be offset by new export gains for our industry.

It is essential, we believe, that the benzenoid sector of our industry be permitted to grow and develop all of the new products which we know are coming. It is certain that, if ASP is eliminated, much of the research and development money which is necessary for this effort will not be available.

The attacks on the ASP system from abroad have been very heavy and consistent. This may be surprising to some of you, but not to those of us who understand the stakes involved. Production facilities exist abroad now to take advantage quickly of the largest market in the world. Many of the leading world chemical industries have designed export capacities into their plants and can participate heavily in the U.S. benzenoid market with the much lower tariffs under the Kennedy round and if ASP is eliminated.

For these and many other reasons, the Manufacturing Chemists Association urges that this committee and the Congress eliminate title IV of H.R. 17551.

Title III of the bill proposes a liberalization of the eligibility provisions for assistance in adjusting to the impact of imports. This proposal would substitute "substantial" cause for "major" cause as the test of degree of injury.

The chemical industry prefers a policy which will prevent major injury by retention of necessary tariff levels, rather than use of adjustment assistance after major injury has occurred. We believe that domestic industries which have suffered such injury should be afforded a form of appropriate relief. This, for mose chemical companies, should be tariff adjustment.

Although we agree that the test for determination of injury should be changed from major to substantial, we also urge Congress to provide in the adjustment assistance legislation adequate provision to