To demonstrate that the products listed in the above charts are not unique, there are listed in exhibit IV similar statistics for seven additional sulfa drugs, 44 dyes and textile chemicals, six organic pigments, nine rubber chemicals, and 18 intermediates. These products are a representative sampling of Cyanamid's benzenoid chemicals product line.

It is evident, therefore, that the damaging effects of the 50-percent reductions in tariff rates already granted by the United States will be compounded seriously by a further reduction under the guise of the mere repeal of the American selling price method of valuation.

It was previously estimated that the 50-percent tariff reduction would cost Cyanamid 8 percent of its sales dollar and 42 percent of its earnings from its affected benzenoid business. It is further estimated that repeal of ASP will result in further losses in the affected benzenoid area of 3 percent of dollar sales and 15 percent of its earnings. The total estimated damage from both reductions is 11 percent of sales dollars and 57 percent of profit.

CONVERSION OF DUTIES WILL NOT PROVIDE EQUIVALENT DUTIES

The solution does not lie in the recent attempt of the Tariff Commission to "convert" existing rates of duty based on American selling price, of the thousands of chemical products concerned, to a rate of duty, based on export value, to provide an amount of duty on such imports presumably equivalent to the amounts now collected. The attempt did not include a study of the adverse effects on the domestic industry from such a conversion.

The basic starting point in the determination of an equivalent rate of duty is knowledge of export value. Competitive foreign prices of the number of products which concern us are not known, much less obtainable through published price schedules. Domestic selling prices are, of course, published here and are readily available in our market. The report of the Tariff Commission admits the lack of complete information on foreign prices.

The attempt to establish a schedule of rates of duty to produce an amount of duty equivalent to that now collected has several defects. For example, foreign competitors, by lowering the price for exports, could cause a different amount of duty to be collected; the basis of valuation would be transferred to the control of the foreign competitor.

Another defect of this attempt arises from the failure to set forth the benzenoids in question on an item-by-item basis. By resorting, instead, to a single test year (1964) and basket clause treatment of a whole host of benzenoids, the tentative converted rates result in an improper grouping of competitive and noncompetitive benzenoids, thereby increasing the duty on noncompetitive benzenoids, that is to say, those which are not produced in the United States, and lowering