

the duty on competitive benzenoids, that is to say, those which are produced in the United States.

The most equitable and workable system of valuation is the American selling price method. It does not impede trade with the United States and simultaneously provides safeguards for equitably compensating for the disparity in the comparative costs of production between domestic and foreign producers.

Accordingly, the American selling price basis of valuation should be retained.

EXTENSION OF AUTHORITY TO THE PRESIDENT TO FURTHER REDUCE DUTIES

The large reductions of duties negotiated under the recent Kennedy round will cause serious dislocations in the chemical industry. Their effects cannot be anticipated fully at this stage. The results of the drastic duty reductions must be studied carefully. Adequate remedies must be provided to prevent industries or segments of industries essential to our economy and growth from being damaged beyond repair.

While no objection is raised to granting to the President authority to "housekeep" the negotiations already completed, no additional authority to negotiate any further reductions in duties should be granted at this time.

The extended authority to the President as proposed in H.R. 17551 should be so restricted.

ADJUSTMENT ASSISTANCE

It is unfortunate that the concept has developed that segments of American industry can be sacrificed as the result of trade negotiations.

The safeguard of "peril points" which for several years was the standard provided by the Congress to govern the extent of tariff cuts which the President could negotiate was based on a much more sound base. There the policy was to prevent injury rather than grant relief from injury after it has happened.

The proposed amendment of this provision in H.R. 17551 changing the causal factor from "major" to "substantial" is a step in the right direction to remedy the deficiency of the existing provision under the Trade Expansion Act of 1962.

However, adequate provision should be made to permit an escape from injury or threat of injury resulting from increased imports. An adequate escape clause should provide relief to an industry in the form of appropriate tariff adjustment.

American Cyanamid Co. appreciates the opportunity of filing its views at these hearings on a subject of vital concern to the present and future of our economy.

(Exhibits referred to follow :)