Mr. GRAUBARD. Mr. Hochschwender is chairman of the Organic Chemicals Group of the American Importers Association where he also serves as a director and as vice president. A Ph. D. from Yale where he also did his undergraduate work, Mr. Hochschwender formerly taught political science and is now assistant to the president of American Hoechst Corp.

Professor Haines is chairman of the department of economics at New York University's College of Arts and Science. For the past 3 years he has made intensive studies of the effects on the U.S. chemical industry of reduction of trade barriers, with emphasis on the repeal of ASP. I ask that Mr. Haines' biographical sketch be inserted in the record at this point.

The CHAIRMAN. All of that material will be included.

(The biographical sketch referred to follows:)

Walter W. Haines. Professor of Economics and Chairman of the Department of Economics, University College of Arts and Science, New York University, A.B. and M.A., University of Pennsylvania; M.A. and Ph. D., Harvard University. Has held teaching posts at Kenyon College and the University of Peshawar, Pakistan. Chairman of the Board of Overseers of Friends World College.

Publications include *Money, Prices and Policy*, (2nd ed., McGraw Hill, 1966) and articles in *American Economic Review*, *Quarterly Journal of Economics*, *Journal of Economic History*, *National Encyclopedia*, and *Encyclopedia International*. Consulting work has included population projections as well as an extended survey of the effects on United States industry of tariff reductions for presentation to the United States Tariff Commission.

Member of American Economic Association, Society for International Development, Phi Beta Kappa, and Pi Gamma Mu. Listed in *Who's Who in America Who's Who in the East*, *Directory of American Scholars*, *American Men of Science*, *Who's Who in American Education*, *Contemporary Authors*, *World Who's Who of Science*, and *Dictionary of International Biography*.

Mr. GRAUBARD. Thank you, sir. After my opening remarks Mr. Stobaugh will analyze the effects of the repeal of ASP on this Nation's balance of trade, Mr. Hochschwender will submit some graphic illustrations of how ASP is used and abused, and Mr. Haines will comment on the principal arguments presented last Friday by those who would retain ASP.

In urging the enactment of H.R. 17551, and in particular title IV, we shall forebear from describing the "American selling price" valuation system as well as the agreement negotiated in 1967 at the Kennedy round session in Geneva. We believe that Ambassador Roth and other witnesses have given ample background to this committee in those regards.

Instead, we shall present—in capsule form to meet the committee's time schedule—the principal reasons why it is in the interests of our Nation to adopt H.R. 17551 now.

1. ASP was designed to protect an infant industry. That infant is now a multibillion-dollar giant, far larger and stronger than any of its foreign competitors.

2. The United States, more than 20 years ago, made a clear international commitment to convert from ASP valuation to normal valuation for benzenoids and the other products presently valued under ASP. GATT, article VII, subparagraph 2(a) provides:

The value for customs purposes of importer merchandise should be based on the actual value of the importer merchandise on which duty is assessed, or of like merchandise, and should not be based on the value of merchandise of national origin or on arbitrary or fictitious values.