TABLE 7.—U.S. BENZENOID CHEMICALS: ESTIMATED IMPORTS AS A PERCENTAGE OF ESTIMATED PRODUCTION 1972

[Dollar amounts in millions]

Category	Value of 1966 imports [1]	Estimated value of 1972 U.S. imports if ASP package is adopted [2]	Estimated value of 1972 U.S. production [3]	Col. 3 as percentage of col. 4
(1)	(2)	(3)	(4)	(5)
Intermediates	$31.2	$85	$3,300	2.6
Dyes	25.8	80	460	17.4
Pigments	1.7	7	190	3.7
Medicinals and pharmaceuticals	10.9	15	440	3.4
Flavors and perfumes	4.0	13	100	13.0
Other products	14.4	47	4,510	1.0
Total	[4] 88.1	[5] 247	9,000	2.7

[1] From U.S. Tariff Commission, Imports of Benzenoid Chemicals and Products, 1966.
[2] Estimated by author by methods presented in author's "Chemical Marketing Research," loc. cit., primarily by projecting past growth rates for individual categories into the future and adjusting for estimated effects of Kennedy round including adoption of ASP package.
[3] From table 6.
[4] Individual numbers in column do not total $88,100,000 because of rounding.
[5] As discussed in app. D, this total is estimated to be $150,000,000 without the effects of the Kennedy round and $230,000,000 with the Kennedy round unconditional cuts but without the ASP package.

TABLE 8.—UNITED STATES VS. GERMAN COSTS OF DYE MANUFACTURE AFTER ASP APPROVAL

	United States	Federal Republic of Germany
Raw materials	50	40
Production workers	11	6
Other employees	6	4
Other expenses	33	33
Total	100	83
30-percent tariff		25
5-percent freight		4
Total cost in United States	100	112

Note: All figures based on 100 percent of total U.S. costs, assuming ASP package is approved.

The estimate for the United States is based on data from the latest manufacturing census in the United States (1963). The estimated costs in Germany were obtained as follows:

1. Raw materials: These costs were estimated to be 80% of the United States costs. This assumes the importation by the United States of German raw material, the payment of a 20% United States tariff on this raw material and the payment of 5% freight for the shipment of the material from Germany to the United States. Hence, if the raw material sells for 100 in Germany then it would cost the U.S. dye manufacturer 100+20+5=125. Therefore, the price in Germany would be 100/125 or 80% of the price paid by a U.S. dye manufacturer. This represents the maximum possible difference between raw material prices in Germany compared with the United States; as many raw materials are available in the United States at prices as low as those in Germany, this comparison understates average foreign costs in relation to United States costs.

2. Production workers: The ratio of German to United States hourly wages was obtained from data prepared by the Manufacturing Chemists' Association (of the United States) and presented in Table 9.