Mr. STOBAUGH. I believe what it shows on the average is that the United States will not be competitive with Germany on dyes on the average and that German exports to the United States will be larger than U.S. exports to Germany in dyes. Just as the case exists today it will continue to exist this way if the ASP package is approved or whether it is not approved.

The adoption of the ASP package will not affect that.

Mr. BYRNES. We will be just as noncompetitive after ASP as before.

Mr. STOBAUGH. We are competitive in some lines in dyes. For that reason we export some dyes to Germany, but on the average we are not as competitive. What I am suggesting is and what I am saying is that our advantage is in other product lines, other than dyes, and Germany has been a large market for our chemicals.

Styrene monomer is one I showed here.

Mr. BYRNES. Anyone going into a noncompetitive market has an advantage even with ASP really.

Mr. STOBAUGH. In the example I showed here with Germany importing large quantities of chemicals from the United States, chemicals that we presently have a comparative advantage in of the new products and the large volume chemicals, lower foreign tariffs are going to help us there and that was my suggestion, not that they are going to help us in dyes.

Mr. BYRNES. You always have an advantage; don't you, when you have that new product?

Mr. STOBAUGH. Yes.

Mr. BYRNES. Unless you have an embargo.

Mr. STOBAUGH. But tariff barriers affect your export of a new product. Let's take a case right now. The United States is exporting large quantities of cyclohexane to Germany and the Netherlands. The tariff there is zero. Let's assume that tariff were 50 percent.

What do you think our exports of cyclohexane would be? There wouldn't be any to the Common Market with a 50-percent tariff, for example. That is an example of the importance of tariffs.

Mr. BYRNES. And also the importance of border taxes, isn't it, which you don't want to talk about. I can understand that there is a barrier there.

Mr. STOBAUGH. The so-called border taxes will be what they are going to be regardless of the adoption or not of the ASP package. My contention is that adoption of the ASP package is going to increase the net U.S. trade balance and one of the ways it will do it will be to delay construction of plants in Europe of these new products while we continue to export and lower the foreign tariff, the longer we can keep exporting before they decide to build a new plant.

Mr. GRAUBARD. May I add something to that, Mr. Byrnes? It isn't that we do not want to talk about border taxes. As a matter of fact, I appeared before this committee in connection with the Kennedy round legislation before it was adopted and urged this committee to include in the statute at that time provision for remedying and dismantling, if we could, these nontariff barriers.

The fact is that the legislation did not include that item at that time and there was no power in our negotiators to negotiate in regard to such things as border taxes during this current round.