TABLE 1

Category of product	1965 pre-Kennedy round		Under separate agreement FSP rates		Average reduction in duty (percent)
	Average ASP per pound	Average ASP duty	Average FSP per pound	Average FSP duty	
Dyes:					
Acid	$2.71	$1.08	$1.20	$0.36	66.7
Basic	3.20	1.21	1.29	.39	67.8
Direct	2.46	.98	1.03	.31	68.4
Disperse	2.54	1.00	1.30	.39	61.0
Mordant	2.28	.91	.96	.28	69.2
Vat	1.94	.75	.96	.29	61.3
Average, 6 classes of dyes	2.52	0.99	1.12	.34	65.7
Azoics:					
Fast color bases	2.15	.47	.84	.25	46.8
Fast color salts	1.59	.35	.78	.23	34.3
Napthol AS and derivatives	3.18	.67	1.73	.52	22.4
Average, 3 classes of azoics	2.31	.50	1.12	.33	34.0
Intermediates:					
TSUS 403.48 (B)	.84	.20	.43	.08	60.0
TSUS 403.50 (B)	1.25	.28	.69	.12	57.1
TSUS 403.60 (B)	.29	.11	.17	.05	54.5
TSUS 403.60 (C)	.91	.21	.46	.09	65.4
TSUS 403.60 (G)	2.45	.67	1.40	.27	59.7
Average, 5 classes of intermediates	1.15	.30	.63	.12	60.0

Source: Exhibit 2, table 1.

Having agreed to enter into negotiations in relation to the President's power under the Trade Expansion Act, a few foreign nations after the bargaining commenced demanded extra-legal commitments which never should have been permitted by the U.S. negotiators.

The Executive, it seems to us, has now passed the buck to Congress.

To help you understand what will happen to us, we have made an analysis of the impact of the repeal of ASP and the substitution of the rates provided for in the "separate chemical agreement" based on FSP for the ASP rates.

We took our actual operating results in 1965—the latest data year in relation to which the Kennedy round agreements were made—and adjusted our sales income by the price reductions, product for product, which the reductions in duty would require if we were to hold our 1965 volume of sales against the sharply lower landed costs of foreign dyes.

The results are set forth in confidential exhibit tables VII and VIII. They may be summarized here publicly as follows:

First, as to the effect of the Kennedy round and supplementary agreement rates on our sales revenue. And I would ask, gentlemen, that you look at table No. 2.

These data mean ruin for our companies. Those who can lower their costs by importing from their own plants or other foreign sources will do so. The rest of us, and here I mean particularly the smaller, independent companies, will be forced in a comparatively short period of time after full implementation of the Kennedy round tariff reductions to close our plants, or become nonmanufacturing outlets for such foreign-produced dyes as we might be able to purchase outside of the closed circle of the European and Japanese cartels.