healthy free enterprise system, and efforts to achieve our highest objectives at home and abroad.

I think I can best elaborate my views on trade policy and be most useful to your committee in its study of these issues if I concentrated the balance of my testimony on the question of chemicals, ASP.

Removal of the ASP trade barrier restricting imports of benzenoid chemicals is a major feature of the bill to extend the Trade Expansion Act. I urge the Congress to pass the administraion bill as quickly as possible. Action on ASP is a major feature of the effort that should be made to carry out the concessions agreed to in the Kennedy round negotiations. It is even more than that. It is also a major indicator of U.S. credibility when our Government, many Members of Congress, and many private interests emphasize the importance of nontariff barriers. If ASP on benzenoids is not discontinued, in accordance with the arrangements agreed to at the recent negotiations, future efforts to negotiate the removal of nontariff barriers may be much more difficult than now seems likely.

One of my companies is engaged in producing and importing chemicals. Another one has been exporting chemicals for almost 20 years. The manufacturing and importing company has plants in Peoria, Ill., and Ossining, N.Y. During the first 6 months of this year imports amounted to less than one-third of this company's sales, but they are gradually becoming a smaller percentage of its total business.

Less than 1 percent of the company's imports are covered by ASP customs regulations. Notwithstanding the company's deep interest in strengthening its international business, our most vigorous interest today is in the success of the substantial investment we have made in our own manufacturing operations.

The products we produce are substantially more important to the company's profits than are the chemicals we import. Some of the items we manufacture are protected by ASP. Nevertheless, our company opposes continuation of ASP. It is possible that we may lose some business to import competition if ASP is removed. But we expect to adjust successfully. We shall strive to improve our productivity, and we expect to offset through increased exports—exports of chemicals we ourselves produce as well as those we purchase from other American manufacturers—whatever business we may lose to increased imports. We can compete in foreign markets and shall be able to do so even more successfully if continued progress is made in reducing trade barriers surrounding the many markets to which we export.

The chemical industry as a whole has very convincing capabilities for adjusting to competition from any part of the globe. In my view, the industry's persistent claims of "gloom and doom" in ASP is removed, are totally out of keeping with the industry's persistent progress technologically, financially, and in overall resourcefulness.

I urge the chemical industry to bring its trade policy views up to date and into line with its technical and marketing achievements and capabilities.

Those who insist on high tariffs for chemicals and/or ASP escalation of official tariff rates are out of step with the realities of the industry's position and market opportunities. They overlook also the industry's huge stake in U.S. exports of end products that include chemicals. The steel industry, for example, is similarly in error when it overlooks its