market, regardless of whether the particular product at that stage needed special protection against foreign competition. Applying the ASP device to the official ad valorem tariffs escalated those duties to substantally higher levels of protection than the nominal tariffs provided, sometimes double the regular tariff and even more.

This special protection, highly controversial even in 1922 when the high-tariff Fordney-McCumber Act was enacted and the need to develop a strong coal tar chemical industry was clear to all who had gone through the experience of World War I, has been maintained intact while the American chemical industry, including its synthetic-organic sector, has become the strongest in the world. ASP protection has also remained intact notwithstanding U.S. policy of the last 33 years to reduce trade barriers in the nation's best interests.

It was logical and appropriate to deal with this trade barrier in the recently concluded Kennedy Round of trade negotiations, and to negotiate its elimination as part of a reciprocal package. It is logical and appropriate to expect the chemical industry by this time to know its own strength and how best to adjust to the withdrawal of this extraordinary trade restriction. However, in the light of the chemical industry's position on trade policy throughout the trade agreements program of the past 33 years (the industry's persistent forecasts of injury, even doom), it unfortunately comes as no surprise that the industry's trade associations and most of its producers object—at least publicly—to the tariff cuts of the Kennedy Round and to the special package in which the elimination of ASP as a protective device was negotiated.

In view of what is crystal clear about the industry's strength and the nation's trade-policy imperatives, compared with the narrow view our industry has taken of both itself and the national interest, it is logical and appropriate to question the judgment of those in the chemical industry who still oppose ASP elimination and who are exerting strong pressures on Congress to reject the Administration proposal. The Administration is seeking the Congressional implementation of the special package of concessions in which ASP would be discontinued in exchange for additional concessions by European countries in chemical tariffs and in non-tariff barriers on automobiles and tobacco.

This opposition brings discredit on the chemical industry and, if successful, it will bring even more serious discredit on the United States and the credibility of our announced belief in freer world commerce. An industry that genuinely believes in the free enterprise system, in the need for freer and expanding trade in the nation's most enlightened self-interest, and in the importance of a strong, resilient, and expanding national economy—such an industry would have been making a determined effort, at least since World War II, to prepare itself for the time when, as part of a negotiated arrangement, ASP would be discontinued. If those who have been opposing ASP elimination say they have not been making such an effort, they invite serious criticism for most regrettable negligence. If they claim that in any event the industry is not ready for such a change in U.S. import policy, they invite amazement that their views on trade policy and their assessment on the industry's technical, financial, and market strength has lagged so far and for so long behind the dramatic advance the industry has made in actual performance.

In addition to its well-developed economic and technical strength, the chemical industry has many advantages over its foreign competition. For example, it has on its doorstep the largest free-trade domestic market anywhere in the world, featuring enormous opportunities for economies of scale. Close ties between producer and consumer, in matters such as technical services, significantly enhance the strength of U.S. chemical producers in their home market. Lower U.S. tariffs will certainly improve the competitive position of foreign exporters to the United States. But reductions of foreign tariffs will in turn help open new market possibilities for U.S. chemical producers and, incidentally, for other American industries that are directly or indirectly consumers of the products of the U.S. chemical industry.

U.S. refusal to eliminate ASP would not only do away with the concessions which other countries are ready to make in exchange; it would also impair for some time to come the effectiveness of the efforts the United States must continue to make to induce foreign governments to reduce their import restrictions and certainly abstain from new ones. SOCMA and others who object to ASP elimination sometimes point to foreign non-tariff barriers that will continue to block U.S. exports of chemicals, thus offsetting whatever tariff cuts are made in any of the Kennedy Round arrangements. This concern is justifiable. Retaining ASP, however, is not, in whole or in part, a justifiable response to such problems.