Retaining ASP, with all that it has come to symbolize about U.S. policy, would be certain to inspire foreign recourse to protectionism. It would certainly deprive the United States of leverage with which to discourage such measures abroad and to persuade those governments to devote their trade policy ingenuity to further liberalization.

Those in the chemical industry who today oppose elimination of ASP also need to be reminded that discontinuing ASP means only discontinuing a *practice of customs valuation* sharply at odds with U.S. trade policy principles and those of the world trade community as reflected in the General Agreement on Tariffs and Trade. U.S. tariffs on the affected products will be converted to tariffs generally reflecting ASP levels of protection. The converted tariffs will then be cut to levels not in excess of 20 percent ad valorem in most cases; the major exceptions will include 30 percent for dyes, pigments and azoics, and 25 percent for certain sulfa drugs. After more than three decades of a freer-trade policy, such tariff levels set by a trade agreement which the Administration has called "the most comprehensive assault on barriers to international trade that has ever taken place" remain high, especially for an industry as formidable as the chemical industry.

If a thorough and comprehensive re-assessment of the ASP issue, taking account of all the factors mentioned above (as a minimum), leaves some chemical executives still burdened with worry over the effects of ASP elimination on their companies and the industry, it seems to me that their energies with respect to this issue should be directed, not at opposing the elimination of ASP, but at (1) gearing their overall operations to ensuring a successful adjustment to this contingency, and (2) urging our government (a) to remove such barriers as may tend to impair such an adjustment (for example, phase out import restrictions on oil and other raw materials), and (b) to keep under continuing review the effects of ASP elimination, standing ready to discuss with industry executives and associations ways and means of facilitating the adjustment. In this connection, the industry should support the Administration's effort to get the adjustment assistance criteria of the Trade Expansion Act liberalized.

The problems of adjustment and especially the things that have to be done to facilitate adjustment are conspiciously lacking in the industry's statements and protestations on ASP. The time has come to countenance the removal of this trade barrier abomination—in the interests of U.S. consumers, U.S. trade policy goals, the national security stake in a strong economy, and of the chemical industry itself. In adapting itself to this historic change, the chemical industry will be doing things that build new strength for itself and the nation as a whole.

The CHAIRMAN. The entire material will be made a part of the record, Mr. Baird. Any questions of Mr. Baird?

Mr. CURTIS. Just briefly.

The CHAIRMAN. Mr. Curtis.

Mr. CURTIS. Your company isn't one of these big four that they are talking about?

Mr. BAIRD. No, sir.

Mr. CURTIS. About how many employees do you have

Mr. BAIRD. Seventy-five.

Mr. CURTIS. Thank you.

The CHAIRMAN. Any further questions? Again we thank you, Mr. Baird.

Mr. BAIRD. Thank you.

(The following letters and statements were received, for the record, by the committee:)

DEPARTMENT OF STATE,
Washington, D.C., July 2, 1968.

HON. WILBUR D. MILLS,
Chairman, Committee on Ways and Means,
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: The Department of State has received from the Embassy of Switzerland a statement of the views of the Swiss Union of Commerce and