5. *Switzerland* agreed to tariff reductions which on a weighted average basis amount to 49 percent on $45 million of chemical imports from the United States.

6. *Other participants*, notably Canada and the Scandinavian countries, agreed to reductions in their chemical tariffs as part of their Kennedy Round concessions.

II. The ASP Package

The following concessions are contingent on United States elimination of the ASP valuation system:

1. *The United States* would eliminate ASP and replace rates currently based on ASP with rates that have been proposed by the Tariff Commission to be applied on the valuation as normally calculated for other United States imports and yielding the same revenue as the previous rates. These "converted" rates would be reduced, by stages, generally by 50 percent or to an ad valorem equivalent of 20 percent, whichever is lower. The principal exceptions to this formula are dyes and sulfa drugs, duties on which would be reduced to 30 percent and 25 percent, respectively. In addition, the United States would reduce the 8 percent and below rates subject to the 20 percent cut in the Kennedy Round package by a further 30 percent and further reduce by more than 50 percent a few other items to the 20 percent level. These reductions would provide a combined weighted average cut on United States chemical tariffs in the Kennedy Round and ASP packages of about 48 percent on $325 million of imports.

2. *The European Economic Community* would reduce its chemical tariffs by an additional amount so as to achieve a combined Kennedy Round-ASP package reduction of 46 percent on $460 million of chemical imports from the United States. Virtually all EEC chemical tariffs would be at rates of 12½ percent or below. Belgium, France, and Italy would also modify road-use taxes so as to eliminate discrimination against American-made automobiles.

3. *The United Kingdom* would reduce most of its chemical tariffs according to the following formula: Items at present dutiable at 25 percent and above would be reduced to a level of 12½ percent, for a 62 percent combined Kennedy Round and ASP package reduction. Tariff items with duties of less than 33 percent would generally be reduced by the amount necessary to achieve a combined reduction of 50 percent in the two packages. U.K. plastics tariffs which would be above the reduced EEC rate on the same item would be cut to that level and bound. The combined weighted average reduction in the level of British chemical tariffs on United States trade would be approximately 47 percent on $170 million of imports from the U.S. After these reductions virtually all British chemical tariffs would be at rates of 12½ percent or below. The United Kingdom would also reduce by 25 percent its margin of preference on imports of tobacco.

4. *Switzerland* would eliminate limitations on imports of canned fruit preserved with corn syrup.

Textile Sector.—Most importing countries reduced tariffs on cotton, man-made, and wool textiles less than their average reduction in other industrial products as a whole. The United States agreed to tariff reductions which, on a weighted trade basis, average approximately 14 percent for the three fibers. Cotton textiles were reduced 21 percent; man-made textiles, 15 percent; and wool textiles, 2 percent.

Negotiations on cotton textiles involved three elements: the extension of the Long-Term Cotton Textiles Arrangement (LTA); more liberal access to import markets protected by the LTA; and tariff reductions. The principal concessions by exporting countries of interest to importing countries was the extension of the LTA in its present form until September 30, 1970. In return, importing countries agreed to enlarged quotas under LTA provisions and to tariff reductions.

Within the context of the LTA, the United States negotiated bilateral agreements with its main supplying countries. These agreements typically provided for a 5 percent annual increase in LTA quotas, a one-time bonus for LTA extension, and certain other administrative improvements.

The United States agreed to cotton textile tariff reductions that amounted to a weighted average reduction of 21 percent. Reductions on apparel items averaged 17 percent; fabrics tariffs were reduced 24 percent; and yarn, 28 percent.